Overview – Intro

Introduction

By the Project for Excellence in Journalism

Some of the numbers are chilling.

Newspaper ad revenues have fallen 23% in the last two years. Some papers are in bankruptcy, and others have lost three-quarters of their value. By our calculations, nearly one out of every five journalists working for newspapers in 2001 is now gone, and 2009 may be the worst year yet.

In local television, news staffs, already too small to adequately cover their communities, are being cut at unprecedented rates; revenues fell by 7% in an election year—something unheard of—and ratings are now falling or are flat across the schedule. In network news, even the rare programs increasing their ratings are seeing revenues fall.

Now the ethnic press is also troubled and in many ways is the most vulnerable because so many operations are small.

Only cable news really flourished in 2008, thanks to an Ahab-like focus on the election, although some of the ratings gains were erased after the election.

Perhaps least noticed yet most important, the audience migration to the Internet is now accelerating. The number of Americans who regularly go online for news, by one survey, jumped 19% in the last two years; in 2008 alone traffic to the top 50 news sites rose 27%. Yet it is now all but settled that advertising revenue—the model that financed journalism for the last century—will be inadequate to do so in this one. Growing by a third annually just two years ago, online ad revenue to news websites now appears to be flattening; in newspapers it is declining.

What does it all add up to?

Even before the recession, the fundamental question facing journalism was whether the news industry could win a race against the clock for survival: could it find new ways to underwrite the gathering of news online, while using the declining revenue of the old platforms to finance the transition?

In the last year, two important things happened that have effectively shortened the time left on that clock.
First, the hastening audience migration to the Web means the news industry has to reinvent itself sooner than it thought—even if most of those people are going to traditional news destinations. At least in the short run, a bigger online audience has worsened things for legacy news sites, not helped them.

Then came the collapsing economy. The numbers are only guesses, but executives estimate that the recession at least doubled the revenue losses in the news industry in 2008, perhaps more in network television. Even more important, it swamped most of the efforts at finding new sources of revenue. In trying to reinvent the business, 2008 may have been a lost year, and 2009 threatens to be the same.

Imagine someone about to begin physical therapy following a stroke, suddenly contracting a debilitating secondary illness.

Journalism, deluded by its profitability and fearful of technology, let others outside the industry steal chance after chance online. By 2008, the industry had finally begun to get serious. Now the global recession has made that harder.

This is the sixth edition of our annual report on the State of the News Media in the United States.

It is also the bleakest.

Much of what we have noted in the past holds true. The old media have held onto their audience even as consumers migrate online. In 2008, audience gains at sites offering legacy news were far larger than those for new media. The old norms of traditional journalism continue to have value. And when you look at the numbers closely, consumers are not just retreating to ideological places for news.

The problem facing American journalism is not fundamentally an audience problem or a credibility problem. It is a revenue problem—the decoupling, as we have described it before, of advertising from news.

That makes the situation better than it might have been. But audiences now consume news in new ways. They hunt and gather what they want when they want it, use search to comb among destinations and share what they find through a growing network of social media.

And the news industry does not know—and has done less than it could to learn—how to convert this more active online audience into revenue. In newspapers, roughly half of all classified advertising revenue has vanished, a good deal of that to operations that newspapers could have developed for themselves. Insiders now expect that classified revenue could be zero in five years—or sooner. When newspaper executives met this winter to talk about how to create a way for consumers to design their own ads, the discussion focused on doing so for print editions, not online. “They still don’t get it,” one irritated executive told us on background.

There are growing doubts within the business, indeed, about whether the generation in charge has the vision and the boldness to reinvent the industry. It is unclear, say some, who the innovative leaders are, and a good many well-known figures have left the business. Reinvention does not usually come from managers prudently charting course. It tends to come from risk takers trying the unreasonable, seeing what others cannot, imagining what is not there and creating it. We did not see much of it when times were better. Times are harder now.
In the last year, alternative news sites, have continued to grow, including those produced by journalists who have left legacy newsrooms, but their scale remains small. The new media in aggregate are far from compensating for the losses in coverage in traditional newsrooms, and despite enthusiasm and good work, few if any are profitable or even self-sustaining.

Those are just some of the questions and conclusions in this edition of our annual report on the state of American journalism. This year’s report, as always, offers a general overview of the state of journalism as well as detailed examinations of the state of eight separate sectors (newspapers, online, network television, cable television, local television, audio, magazines, and ethnic media). The report also includes our in-depth content analysis, based on a study of nearly 80,000 news stories and television and radio segments in A Year in the News, which this year includes an Interactive Topline where people can explore the data for themselves.

This year we also offer some Special Reports. There is one on citizen-based media, including a university study of 363 citizen websites in 46 markets. There is a first-ever survey of the members of the Online News Association, to be released March 30. There is an essay by Bill Kovach and Tom Rosenstiel on the Lessons of the Election. There is a backgrounder on the growing models of entrepreneurial journalism, new Web news organizations run by professional journalists outside the mainstream press. There is a review of changes in the last year in public attitudes.

**Key Findings**

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**By the Project for Excellence in Journalism**

New patterns in news consumption and a deteriorating economy deepened the emerging cracks in the economic foundation of the media in 2008.

Here is a brief look at the battering year for the news industry as measured by six key indicators: audience, economics, news investment, ownership and digital trends:

**Audience**

In a big news year, most media continued to see audiences shrink.

Only two platforms clearly grew: the Internet, where the gains seemed more structural, and cable, where they were more event-specific.

The data also suggest a clear trend in the changing nature of how Americans now learn about the world around them. People are relying more heavily — both during peak moments and in general — on platforms that can deliver news when audiences want it rather than at appointed times, a sign of a growing “on demand” news culture. People increasingly want the news they want when they want it.

- Much of that traffic, moreover, went to the biggest Internet sites, many of them offering news primarily from wire services or aggregated from legacy media outlets. The top 50 news websites saw traffic for the year grow 27%,
according to PEJ’s analysis of comScore data, while all news and information sites grew 7%. The top four news sites—Yahoo, MSNBC.com, CNN.com and AOL—saw unique visitors grow 22% to 23.6 million visitors a month. That was twice the rate of increase of 2007 and more than five times the rate in 2006.

- The gains in cable, which generated even greater publicity, were more ephemeral. For 2008, the average monthly audience of the three major news channels throughout the day and evening grew by 38%, to a new high of 2.2 million. But after the election, the audience began to drift away. A bump in early 2009, though, brought the average back up slightly, and in February, prime-time audiences were running 5% ahead of the corresponding month of 2008.

![Audiences Turn to Cable and Web](image)

Audiences Turn to Cable and Web

Percentage Change in Audience, 2007 to 2008, Across Media

- The numbers for network news were down but not as precipitously as in past years and not as much as it was for network entertainment programming. The decline in the three commercial evening newscasts, for instance, slowed in 2008 to just 1%—or 300,000 viewers (compared with roughly a million lost annually over the last two decades). A combined 22.8 million people still watch the three programs each night, and 13.1 million watch the networks’ morning news. Late in the year, as the worsening economy became big news, both evening news and to a lesser extent morning shows saw audience gain.

![Design Your Own Chart](image)

Source: Arbitron, Audit Bureau of Circulations, comScore Media Metrix, Nielsen Media Research
The numbers were bleak for newspapers in print, though better for their digital editions. Circulation fell 4.6% daily and 4.8% Sunday for the latest period compared with a year earlier. That brings them down 13.5% daily and 17.3% Sunday since 2001. Traffic to newspaper websites is growing, however. Unduplicated Web audiences are now estimated to add 8.4% to the average newspaper’s readership, making up most, but not all, of the audience decline.

In audio platforms, AM/FM radio audiences either grew slightly or fell depending on how you count them. Arbitron reported a small rise in the audience for news and talk programs, up 2% to 48 million. But survey data show small declines in the number of people who said they listened to radio news the day before (to 35% from 36%). Various new audio technologies, including from satellite, podcasts and Internet radio, grew. Sirius XM, the satellite radio company forged in the merger of the industry’s two pioneers, expected to finish the year with 9.2% more subscribers than the two companies had the year before.

And the ethnic press, a growing sector the last few years, saw its audience numbers become more complicated. The circulation for most of the African American papers declined. For Spanish-language dailies, results were mixed, while Spanish television stations gained. Online, the ethnic media made more strides in 2008 than in the past.

Perhaps the bleakest news came in for the American weekly news magazine. According a survey, less than a quarter of American adults said they read a magazine of some kind the day before—down from a third in 1994. Of the eight publications that PEJ tracks as news magazines, circulation dropped 4.8%. One stalwart – U.S. News & World Report – announced it would no longer be a print news weekly, converting instead to a monthly focused on its popular rankings of colleges and other consumer topics.

Local television remained the nation’s most popular source for news, but, on a percentage basis, it was among the biggest losers of audience in 2008. Just over half of Americans are now regular viewers (52%), according to a survey, down from nearly two-thirds (64%) a decade earlier. Viewership of local evening newscasts, those around the dinner hour, fell by an average of 4.5%, according to an analysis of ratings data by PEJ. Morning and mid-day newscasts held basically stable. Even the trend toward adding new shows in new timeslots seems to have slowed.

**Economics**

The economic storm of 2008 accelerated the crisis facing news business, forcing the weakest into insolvency and testing the strength of the rest. If estimates by Advertising Age prove accurate, total spending on advertising fell for the second consecutive year. Another decline is predicted for 2009. That would mark the first consecutive three-year decline in advertising spending since the Great Depression. For news, some of this—perhaps at least half—cannot be attributed solely to the cyclical downturn. It also reflects the powerful structural shifts brought on by digital technology, which has allowed those who want to reach consumers to do so without the news media as intermediary.
In newspapers, total ad revenue fell 16% in 2008. Even online ads – once the great hope – ended up falling 0.4%% and amounted to less than 10% of revenue.

In radio, the only gains at most stations are from new technology, concerts and billboards, but none of those sectors is particularly large. Fully 90% of radio revenue still flows to traditional, or terrestrial, radio. And through the first nine months of the year, traditional radio revenue was down 7% compared with the first three quarters of 2007. This contrasted to a 2% drop for all of 2007.

And in news magazines, the model of the mass-market printed weekly appears to have collapsed. U.S. News has gone to monthly guides while Newsweek, in a move to staunch losses, is trying to emulate the niche, elite model of The Economist. That leaves Time as the sold survivor of a genre it invented.

Even while online ad spending grew about 14% through the first three quarters of the year, most of it benefited Google and other search providers. Revenue from the sale of banners and other display ads that news websites depend on increased just 4%, and estimates are that it declined by the fourth quarter. One reason: the infinitely expanding universe of blogs and websites has forced them to cut their rates to compete for advertisers. The cost to reach 1,000 viewers fell by half in 2008 alone, to an estimated average of 26 cents.
In local television, a deteriorating market for advertising had analysts scrambling to revise their estimates downward as the year wore on. Most concluded that the final revenue numbers were as much as 7% lower than the year before and that profit margins had probably been cut in half. And that came during an election, a bad sign for a sector that counts on political ads to replenish coffers every two years. Local television is being particularly hurt by the collapse of the auto industry, its biggest advertiser.

Given all this, cable television executives could be excused for exuberance. Pre-tax profits in 2008 for the three major news cable channels grew by a third over the year before to an estimated $1.1 billion. Next year will likely not be as strong. A big source of the revenue gains was campaign ads, which ended with the election. But cable has one big advantage: fully half of its revenue comes from subscription fees built into monthly cable bills, which insulates the channels from downturns in ad rates and spending.

Network news, without that cushion of subscription fees, faces a long-term future that is far more questionable. With a different and decidedly disadvantaged economic model, the whole network model of providing programming to local stations is in question. If it collapses, so might the notion of network news programming. All that can be said with certainty is that network executives are facing challenges they have never seen before.

**News investment**

Other than in cable news, the picture in newsrooms in 2008 was brutal, and 2009 could be worse.

- America's newspapers got smaller in just about every way. One estimate shows 5,900 full-time newsroom jobs were cut, or about 11%, in 2008. By the end of 2009, the newsrooms of American daily newspapers may employ roughly 25% fewer people than in 2001—and the losses are higher at big-city metros. The impact was especially severe on overseas bureaus, in state capitals and in Washington. Half the states no longer have a newspaper covering the U.S. Congress. And the change in the product is manifest. The physical dimensions of the daily paper are smaller, ads now are common on front pages, sections have disappeared and some papers have stopped printing or delivering on unprofitable days.

- In network television, for much of the year it looked as though newsrooms would be spared more of the bloodletting that had taken place the year before. Originally, cuts were smaller, although mostly among on-air personnel in contrast to behind-the-camera cuts the prior year. Heading into 2009, however, another round of cuts was on its way, and both foreign and domestic bureaus could be affected. Overseas, all three networks had, by the end of 2008, eliminated the posting of full-time reporters in Iraq.

- The news teams Americans say they most rely on – the familiar faces at the local television stations – also shrank in 2008. Fewer stations reported hiring, and the median staff size slid from an all-time high the previous year as news directors looked for ways to combine newsgathering functions. The move to expand or add news programs also appeared to be slowing. A big capital infusion in equipment for the conversion to digital broadcasting came to a close. And by the end of the year layoffs were accelerating.

- Radio news, already operating at a fraction of the size it did decades ago, seems headed into another period of contraction brought on by drops in local ad spending. Newsrooms – which already average only slightly more than
two people and produce news for three stations – were expected to shrink further. Even the nonprofit National Public Radio announced layoffs – 7% of its staff of nearly 900 — and canceled two programs

Yet nowhere was the turmoil more acute than in news magazines. Late in the year, several publications announced substantial layoffs, on top of cutbacks in staffing and resources already made earlier in the year. Newsweek saw some of the biggest cuts, both in manpower and bureaus. Buyouts eliminated 160 employees, and one-correspondent bureaus in Chicago, Detroit and Mexico City were shuttered. Further cuts were feared in 2009.

Only the newsrooms of the three major cable channels were on a pace to increase their investment in newsgathering, at an average of 7%. CNN established one-person bureaus in 10 cities and announced the creation of a wire service. Fox News, at No. 2 in spending, was projected to have the biggest boost in budget, up 17%.

Ownership

If things were bad in the counting house and the newsrooms, the picture for the companies that owned the news business was just as grim. There were few buyers out there. And those who had recently bet on the news business—like News Corp., Tribune, and McClatchy — were punished for buying too high or had trouble meeting their debt payments. Stock prices fell, and dividends were slashed. If two years ago there began to be doubts about whether ownership through publicly traded stocks was still an appropriate model, in 2008 bankruptcy restructuring entered the discussion of media ownership in a serious way.

In newspapers, stock prices fell 83% in 2008. Hearst announced it would have to sell, close or reorganize papers in Seattle and San Francisco. E.W. Scripps closed its paper in Denver. The Tribune Company filed for Chapter 11 bankruptcy protection even though most of its papers and television properties still generated operating profits; it was just not enough to cover the debt left over from the transaction in which it went private a year before. The owners of the Minneapolis Star-Tribune and the Philadelphia Inquirer and the Philadelphia Daily News also went in bankruptcy. One of the last of the African American dailies, the Chicago Defender, converted to a weekly publication cycle and AsianWeek folded.

In broadcast television, the Big Three owners with network news remained profitable in 2008 but looked overseas, to cyberspace and to new partners for growth in the face of continuing declines in their traditional advertising-based businesses. CBS wrote down the value of its holdings by $14 billion, citing the soft advertising environment, but invested heavily in a newly formed Internet division. The stock of NBC’s parent company, General Electric, fell so far so fast that it led to speculation that the network may be sold, although no signs of that emerged. ABC’s parent, Disney, warned that the recession would affect nearly everything it does, reducing attendance at its theme parks and sapping revenue from its television network.

In local television, which had been a financial bright spot, the situation dimmed. With credit tight and revenues declining, the number of television stations bought was half the figure reported the year before and the lowest since 2004. According to one accounting, 96 stations were sold from January to December 2008, with a total value of $866 million. This compared with 270 in all of 2007 for a value of $4.6 billion. The stock values of publicly traded companies that own stations plunged.
The pattern was similar in radio. While the biggest player, Clear Channel Communications, completed its sale to private equity investors in 2008, an expected surge of such dealmaking failed to materialize. In satellite radio, the two pioneers joined to form Sirius XM Radio, but the wilting economy soon forced them to accept a white knight investor to avoid defaulting on debt payments.

And in magazines, the major owners consolidated and even closed some publications. For the second year in a row, fewer new magazines were introduced and sales dwindled. There were 42 mergers and acquisitions among consumer magazines, a drop of 25% from 2007, and the value of the deals fell a staggering 97%.

Digital Trends

In addition to the broader audience and economic trends online, a number of specific Web developments emerged in 2008. For the news industry, they bring concern, glimmers of hope and new voices. But much of the expansion and innovation is now coming from those outside of traditional news industries.

And it became clearer during the year that newspapers, television and other legacy media are unlikely to ever support their worldwide news gathering with the sale of banners, pop-ups and other display advertising. The real growth online continues to be in search advertising, and no one has figured out a way yet to combine search advertising with news in sufficient volume.

Economically, one growing cause of concern for news is that national websites and aggregators like Google are fast making inroads in attracting local advertising. That means even if online advertising returns to big growth rates of two years ago, it may not help news organizations as much as once thought. Over the past decade, the share of Internet advertising derived from local businesses has doubled, by some estimates to 40%, but most of those ads (57% in 2007) are now going to national Internet-only sites like Google and Yahoo, not to local news organizations.

The areas of growth in news are small. Advertising in online video and rich media – those commercials that precede the video a user clicks to see — is growing swiftly, a compound rate of 33% over the last five years, although it still only represents about 10% of Internet advertising. And many users have figured out they can often view the same video without the ad on YouTube and other sites.

Mobile technology has also taken a leap, raising the prospect of millions of Americans getting their news from their smartphones. With 40 million active users of the mobile Web, advertisers spent $1.3 billion to reach them in 2008, up 59% from a year earlier. News organizations are scrambling to establish beachheads in this new land, but old questions of revenue persist. Will the tiny banner ads pay enough to finance the effort?

In online content, citizen news sites that do original reporting gained some steam in 2008, especially in areas where traditional coverage has vanished. But, according to a study of citizen sites in 46 markets, they remain far from a substitute for legacy media. Their range of topics is narrower, the sourcing somewhat thinner and the content often not updated even once a day. They also trail legacy news sites in the various methods for distributing their content.
Refugees of the mainstream press helped launch or staff a number of independent new ventures online. Some are nonprofits; others have been given start-up money with the expectation of becoming self-sustaining; still others are for-profit entities. The sites also are diverse in subject matter. Some cover very local news, other report globally and still other focus on niche areas such as health or science. A review by PEJ of several of the larger initiatives finds they are offering some solid journalism in niche areas of interest. But for now, these new ventures rely primarily on philanthropic funding and partly for that reason seem more suited to fill in the gaps of vanished journalism than to replace the industry entirely.

Footnotes

1. The cable figure is based on PEJ’s analysis of Nielsen Media Research data. It represents the combined mean daytime and prime-time viewership (individuals over the age of 2) of CNN, MSNBC and Fox News. The online figure is based on PEJ’s analysis of comScore Media Metrix data. It represents mean unique viewers of the top 50 news websites, excluding weather, entertainment and other specialty sites. (Another leading Internet audience measurement company, Hitwise, calculated a similar audience growth of 23% in its “news and media” category.) The audio figure is based on Arbitron Ratings data. It represents the latest estimate of the average number of people over the age of 12 who listened to news/talk/information on AM/FM radio over the course of a week. The network figure is based on PEJ’s analysis of Nielsen Media Research data. It represents the mean evening news viewership (individuals over the age of 2) of NBC, CBS and ABC. The local TV figure is based on PEJ’s analysis of Nielsen Media Research data. It represents the mean evening news ratings (individuals over the age of 2) for ABC, CBS, Fox and NBC affiliates. The newspaper figure is based on circulation data provided by the Audit Bureau of Circulations. It represents average circulation for the 50 largest U.S. daily newspapers during a six-month period ending September 30 compared to the same period a year prior. The magazine figure is based PEJ’s analysis of circulation data provided by the Audit Bureau of Circulations. It represents the average circulation during the first half of the year, compared to the same period a year earlier, for eight news magazines studied by PEJ: Time, Newsweek, U.S. News & World Report, The Economist, The Atlantic, The Week, The New Yorker and National Journal.

2. Cable figures are based on estimated combined ad revenues for CNN/Headline News, Fox News and MSNBC for 2007 and 2008, provided by SNL Kagan, a division of SNL Financial LLC. Online figures are total online display ad revenues, from January to September 2008, compared with the same period in 2007, provided by eMarketer. Network figures are based on combined ad revenues for news divisions at ABC, CBS and NBC from January to September 2008, compared with the same period in 2007, provided by TNS Media Intelligence. Local TV figures are based on ad...
revenue estimates from January to September 2008, compared with the same period in 2007, provided by the Television Bureau of Advertising. Radio figures are based on AM/FM advertising revenues from January to September 2008, compared with the same period in 2007, provided by the Radio Advertising Bureau. Newspapers figures are based on total industry advertising for 2007 and 2008, provided by the Newspaper Association of America. Magazine figures are based on ad pages sold—not revenue—provided by the Publishers Information Bureau for eight news magazines: Time, Newsweek, U.S. News & World Report, The Economist, The Atlantic, The Week, National Journal, and The New Yorker.

**Major Trends**

Major Trends
Beyond our broadest conclusions, we identify six new trends emerging in 2009, which build off those we have identified in past years.

- **The growing public debate over how to finance the news industry may well be focusing on the wrong remedies while other ideas go largely unexplored.** Much of the discussion has centered on whether consumers would make micro-payments for online content and the possibility of nonprofits assuming ownership of the press. The micro-payment idea, however, was already tried and rejected by users early on and has run headlong into resistance from online advocates. Nonprofit financing, even with ad revenue, may make sense in targeted subject areas—health or investigative reporting, for instance—but it is unlikely that there is enough funding to become a general ownership model. The scale of the commercial media is too large and the potential losses too great. A host of other ideas, with more potential, are worth considering. While hardly a complete list, they include: 1. Adopt the cable model, in which a fee to news producers is built into monthly Internet access fees consumers already pay. News industry executives have not seriously tested this enough to know if it could work, but these fees provide half the revenue in cable. 2. Build major online retail malls within news sites. This could both create a local search network for small businesses and link them directly with consumers to complete transactions, not just offer advertising—with the news operation getting a point-of-purchase fee. 3. Develop subscription-based niche products for elite professional audiences. These are more than subject-specific micro-sites. They are deep, detailed, up-to-the-minute online resources aimed at professional interests, and they are a proven and highly profitable growth area in journalism. There are other ideas as well, including news companies collaborating to seriously challenge aggregators, especially Google, to start sharing more revenue. Several new revenue streams most likely are needed. The closest thing to a consensus right now is that no one source is a likely magic bullet.

- **Power is shifting to the individual journalist and away, by degrees, from journalistic institutions.** The trend is still forming and its potential is uncertain but the signs are clear. Through search, e-mail, blogs, social media and more, consumers are gravitating to the work of individual writers and voices, and away somewhat from institutional brand. Journalists who have left legacy news organizations are attracting funding to create their own websites. Experiments like GlobalPost are testing whether individual journalists can become independent contractors offering reporting to various sites, in much the way photographers have operated for years at magazines. It would be a mistake to overstate the movement at this point. But for a few journalists at least, there are signs of a new prospect: individual journalists, funded by a mix of sources, offering expert coverage to many places. The movement offers the possibility of more skilled reporting from the field. Yet it would also require consumers to be discriminating and raises questions about how news organizations would ensure quality and reliability.
On the Web, news organizations are focusing somewhat less on bringing audiences in and more on pushing content out. The shift reflects the news industry more fully recognizing the viral nature of the Web and the rise of social media. What began as a few podcasts, RSS feeds and e-mail alerts a year or two ago has mushroomed into a more serious emphasis on developing multiple forms of distribution. One form involves helping citizens grab and share information with one another. Another involves placing content on as many platforms as possible. Most news websites now have links attached to stories so readers can more easily share that content, and many have gone further, creating their own Twitter or Facebook accounts to put more content into consumers' hands and allow them to pass it along. News Corp. and NBC Universal jointly purchased Hulu.com—a site where users can view streaming video free of cost—giving both companies another outlet for their products. The economics of all this is unresolved and home websites still matter. The industry is also late in arriving. But the movement represents a dawning realization that the nature of the Web is something the news industry cannot fight and might even begin to employ.

The concept of partnership, motivated in part by desperation, is becoming a major focus of news investment and it may offer prospects for the financial future of news. Partly to cut costs, partly to make up for lost or more narrowly focused content and partly an effort to remain relevant, news organizations are beginning join forces with institutions they once saw as rivals. Papers in South Florida and Texas now share copy rather than simply compete. The local television affiliates of NBC and Fox are sharing video of breaking news events. Online, CBS Radio began a joint venture with AOL and Yahoo, pooling its stations together on one platform. The efforts are just taking root and, as with other experiments, there is little sign yet of how much success there could be in attracting new audiences or revenue. But the partnerships represent a small step toward individual companies in trouble beginning to pool ideas and resources in a way they traditionally have resisted. The move toward partnership also reflects change of another sort. The appeal of a news organization in the future increasingly will be not just the content it produces but also the fuller package of information it assembles from multiple sources.

Even if cable news does not keep the audience gains of 2008, its rise is accelerating another change—the elevation of the minute-by-minute judgment in political journalism. In 2008 cable news came close to becoming the primary television platform of American political discourse. It was the only medium to be a clear winner in 2008, profits rising by a third and audiences growing 38%. But with cable’s singular fascination on politics, the biggest impact may be a sense of accelerating journalistic judgment. The minute-by-minute assessment of daily campaign maneuverings, many offered by partisan spin doctors in ways deliberately coarse and provocative, are now snap judgments about governance. The notion of a media honeymoon has become passé. The journalist who earned perhaps the most attention in Obama’s first month was a cable news financial “editor” who ranted on a Chicago trading floor, became a YouTube star and accused the White House of “threatening” him when Obama’s press secretary chastised him by name. Add to that the rising role of blogs, and now political figures “tweeting” from the Senate and House floor their immediate personal feelings. Even President Barack Obama has warned the press and public about listening to “cable chatter” and cautioned Republicans not to take their marching orders from Rush Limbaugh, whose role as a political leader is now news. Incrementally, it feels as if the line between unfiltered personal thought and public discourse is evaporating a little more.
In its campaign coverage, the press was more reactive and passive and less of an enterprising investigator of the candidates than it once was. In 1992, the Washington Post produced 13 major profiles examining the past record and biography of the eventual winner of the race. In 2008, the paper’s ombudsman found, it produced three. At the Los Angeles Times, the number of such enterprise stories about the winning candidate fell by two-thirds. Many factors have contributed to this less pro-active press. Smaller newsrooms leave people less time for enterprise. Blogs and websites are deep wells of information, but they consume time and attention. The campaigns have become more disciplined about controlling their message, keeping their distance and putting out their own information directly to the public (see Lessons of the Election). Similar to 2000, most of what we know about the new president came from his campaign rather than from media enterprise. And very quickly his political agenda, whether changed by events or there but not always clear, has proved more sweeping than advertised.

Public Attitudes

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By the Project for Excellence in Journalism

A strong news year in 2008 provided journalists with an opportunity to win back some of the respect and confidence they had lost from the public.

There’s scant evidence, though, that happened.

The public retained a deep skepticism about what they see, hear and read in the media. No major news outlet – broadcast or cable, print or online – stood out as particularly credible. There was no indication that Americans altered their fundamental judgment that the news media are politically biased, that stories are often inaccurate and that journalists do not care about the people they report on.

And, perhaps paradoxically, a public that said it relies to a large and growing extent on the Internet for news gave it particularly low marks for credibility.

On the plus side, believability ratings were stable for leading print outlets, and even rose slightly for most of the top television news operations. And the media got high marks for the story the public cared most about: the economy.

Other conclusions from surveys taken during the year:

- The partisan divide that has crept into news consumption widened. This was seen among liberals and conservatives alike, both in their general trust in the media and their perception of how the presidential candidates were treated. Increasingly, there are Republican views of the news media and Democratic views, and they differ sharply.

- Overall, voters gave so-so marks for the coverage of the election: an average grade of “C,” the same as in 2004. The presumption that reporters favored one candidate, however, hit an all-time high in a survey by the Pew Research Center for the People & the Press, which has been asking the question since 1992. Most people also said they wanted to hear more about the candidates’ policies, and many said they wanted to hear less about who was ahead in the polls.
There continued to be a greater trust in the paper or TV station that people actually use than the generic “media.” This suggests that the credibility issues with the media are, at least in part, frustration with outlets that people are choosing not to use. They are irritated with the press generally, but have choices they prefer.

In short, the public’s view of journalists hasn’t worsened much in recent years. But neither has it improved, despite a technological revolution that has given the public more choices than ever before about where and how and from whom to get news.

The Last 20 Years

All this comes against a background, of course, of the general attitudes about the press over the last two decades. In general, after falling in the 1980s and 1990s, the public’s view of the press according to a battery of different questions—from the morality and accuracy of the press to its professionalism and bias—have stabilized and in some cases risen slightly during the Bush years. But all of these numbers are now lower than they were a generation earlier.

Shortly after the November presidential election, for example, only a quarter of Americans rated the honesty and ethical standards of journalists as “high” or “very high” while nearly a third rated them “low” or “very low.” Those results were within a few points of an identical poll taken in 2005. But they were almost the reverse of what Gallup pollsters found in 1976, in the aftermath of Watergate when a third of Americans gave journalists high marks for ethics and just 17% gave them low.

In early 2009, similarly, only 8% of Americans told an NBC Wall Street Journal poll they had a “great deal” of confidence in the national news media while 18% said they had “no confidence at all.” That was similar to the results found in 2002.

### Persistent Criticisms of the Press

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<td>News Organizations…</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
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<td>Get facts straight</td>
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<td>46</td>
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<td>Careful to avoid bias</td>
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<td>12</td>
<td>31</td>
<td>24</td>
<td>25</td>
<td>22</td>
</tr>
</tbody>
</table>

Believability Holds Stable

A decade ago, more than 40% of Americans said they “believed most or all” of the reporting from the most trusted newspaper or network news operations. That figure dropped steadily until 2004 when it leveled off – in the 20s for print and around 30 for television – and has remained their since. 6

<table>
<thead>
<tr>
<th>Print Media Believability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Believe all or most</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>Wall Street Journal</td>
</tr>
<tr>
<td>Your daily newspaper</td>
</tr>
<tr>
<td>Time</td>
</tr>
<tr>
<td>U.S. News</td>
</tr>
<tr>
<td>New York Times</td>
</tr>
<tr>
<td>Newsweek</td>
</tr>
<tr>
<td>Associated Press</td>
</tr>
<tr>
<td>USA Today</td>
</tr>
<tr>
<td>People</td>
</tr>
<tr>
<td>National Enquirer</td>
</tr>
</tbody>
</table>

Asked May 21-25, 2008. Respondents (N=1,505) each were asked about 15 randomly selected news organizations. Results based on those who could rate.
In 2008, the Wall Street Journal got the highest marks among newspapers, but only 25% said they believed all or most of what it reported. CNN, with 30%, did the best among broadcast outlets.

Most Americans view traditional news sources – print, TV and radio as believable. On a scale of 1-4, solid majorities rate leading print news organizations at least a 3, according to a May 2008 survey from the Pew Research Center for the People & the Press. Relatively few people – about 10% for most news organizations – gave the outlets a rating of 1 – (believing “almost nothing” of what the news organization said. 8

Notable exceptions are People magazine – only 28% of those who could rate it give it a rating of three or four – and the National Enquirer; just 14% give the supermarket tabloid a three or four.

People continue to rate their own newspaper or local TV station fairly high. And, though the gains were slight, the ratings for both were higher than at any point since 2000.
The data offer some stark warnings about political ideology and what was once considered the gold standard among newspapers, the New York Times. More than a third of Republicans now say they believe almost nothing in the paper (36% vs. 14% of independents and 8% of Democrats).

The Growing Partisan Divide

The data offer some stark warnings about political ideology and what was once considered the gold standard among newspapers, the New York Times. More than a third of Republicans now say they believe almost nothing in the paper (36% vs. 14% of independents and 8% of Democrats).
And only 10% of Republicans give the Times the highest believability ranking – 4 – down from 16% in 2006. Democratic ratings for the Times have remained stable (23% top rating in 2006, 24% in 2008). The Times drew particularly harsh reaction from conservatives in February 2008 when it published a story about John McCain’s personal and professional ties to a female lobbyist who had business before the committee he had chaired.

But the ideological divide goes beyond the New York Times. In general, Democrats continue to give most news organizations much higher credibility ratings than do Republicans. NPR, for example, is given the highest ratings by 37% of Democrats, but only 18% of Republicans. And NBC was rated highly believable by 31% of Democrats but only 16% of Republicans (This, too, could have been a reflection of controversy: some Republicans publicly blamed the network for what they viewed as bias at its sister cable channel, MSNBC).

Republicans, by contrast, are substantially more likely to give the highest credibility rating to the Fox (34%) than are Democrats (19%). Even with these low scores, Fox’s ratings among Democrats are much higher than Republican ratings for The New York Times (10% give it a four).

Partisan differences in credibility ratings for news organizations have fluctuated in recent years. In 2004, for example, there was a 19-point gap between Democrats and Republicans when it came to CBS News. That dropped to 11 points in 2006 and 8 points in 2008. The gap for ABC News fell from 18 points in 2004 to 9 points in 2006 and remained at 9 points in 2008.
Most of the narrowing of the difference, however, has been driven by Democrats lowering their estimation of each network’s credibility.

**Campaign 2008**

Political ideology was even more evident in the public's views of election coverage. Voters in a post-election poll gave the media a grade of C, the same as 2004. Among the various campaign participants tested – the candidates themselves, pollsters etc. – the press tied with the GOP for the lowest average grades (also a C). 9

| Who do the Media Favor in the 2008 Election? (Based on Registered Voters) |
|---------------|-------|------|------|-----|-----|
| Obama/Democrat | 52%  | 59%  | 47%  | 50%  | 70%  |
| McCain/Republican | 17%  | 17%  | 23%  | 22%  | 9%   |
| Neither | 5%  | 3%*  | 6%  | 6%  | 8%  |
| Don’t know | 26%  | 21%  | 24%  | 22%  | 13%  |
| 100% | 100% | 100% | 100% | 100% |

* Includes 1% who responded Perot.

Late in the campaign, fully 70% of Democrats rated press coverage positively, but fewer than four-in-ten (38%) Republicans shared this view. The opinions of Republicans had not changed much over the summer and fall, but, as election day grew closer, the number of Democrats who rated the press’ performance positively increased 20 points. 10

A persistent and widely shared criticism throughout the primary and general campaign was that news organizations favored Obama, something that must almost certainly be seen as a point of concern for the press. In the campaign’s closing weeks, 70% said that most reporters wanted to see Obama win, compared with just 9% who said they wanted a McCain victory. 11

In previous campaigns, majorities or near-majorities said the press favored the Democratic candidate. But the belief that reporters wanted Obama to win was far more widespread than it had been for any candidate since the question was first asked by Pew in 1992. While this view was nearly universally shared among Republicans, even a majority of Democrats said that reporters wanted to see Obama in the White House.

Throughout the campaign year, sizable minorities consistently said either that the press was biased in favor of Obama or that it was “too easy” on the Illinois Democrat. In June, 37% said the press had been biased in Obama’s favor during the primaries, while 8% said it was biased for his chief opponent, New York Senator Hillary Clinton; 40% saw no bias.

A month later, with the general election underway, 42% felt the press had no bias for Obama or his GOP rival John
McCain. But an equal percentage of people felt the media was biased in favor of Obama, versus 6% who felt the press showed bias for John McCain.

And Republicans felt that way all the more. Nearly three-quarters felt the media was biased in favor of Obama, versus 1% who felt it favored McCain. Democrats saw it differently, with more than half (54%) saying there was no bias in the media for either candidate. 12

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**Many Still See Press Bias in Favor of Obama**

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<thead>
<tr>
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<th>Total</th>
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<th>Ind</th>
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<td></td>
</tr>
<tr>
<td>Bias in favor of Obama</td>
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<td>71</td>
<td>28</td>
<td>42</td>
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<tr>
<td>Bias in favor of McCain</td>
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<td>No bias</td>
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<td>24</td>
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<td>6</td>
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<td>In covering the Democratic primaries, press has shown...</td>
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<td></td>
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<td>No bias</td>
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<td>Other/Depends</td>
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<tr>
<td>100</td>
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Week after week, Obama was the most visible candidate in the public’s mind. With the exception of the period just following the GOP convention, far more people said they heard more about Obama than about McCain. In fact, early in the campaign, Obama did receive more coverage than McCain, according to a PEJ assessment. After August, the two rivals were in a virtual dead heat in the amount of attention paid, and the Republican ticket actually was slightly ahead when stories about the running mates were included. But even then, 48% of the public said they were hearing too much about Obama; that included 34% of Democrats. Conversely, about the same percentage of Democrats said they were hearing too much about McCain.
Pew Research Center surveys consistently found a high level of public interest in the campaign. But by the end of the campaign, Americans were happy to see it end. Even as many celebrated Obama’s victory by saving newspapers with election headlines, 82% said they would not miss following campaign news.

**Internet Gets High Usage, Low Marks**

It was a watershed year for the Internet as a source of news, with substantial increases in the number of people who said they had come to rely on the Internet regularly for their news, especially about national and international affairs.

Online news outlets, however, are viewed with more skepticism than their print, broadcast and cable counterparts. Of seven organizations evaluated, none is viewed as highly credible by even a quarter of online users able to rate them.
Only Google News and Yahoo News – which derive much of their content from traditional news organizations – receive positive marks for credibility by most users who could rate them. Six-in-ten consider Google News generally believable, but just 13% give it the highest marks. Yahoo News’ ratings were similar, if just slightly lower. AOL News was rated as generally believable by less, just (46%).

**Good Marks for Top Story**

The other mega-story from 2008 was the financial meltdown. In fact, news about the economy surpassed all other news stories, including the campaign, in the list of stories said they were interested in. In late September, as the crisis exploded, 70% said they were following economic news very closely – making this one of the most closely followed stories of the past two decades.

Given the public’s skepticism about the press generally, ratings of coverage of the economic crisis were fairly positive. A solid majority said the coverage was excellent (17%) or good (41%). Opinions about coverage of the economic crisis were far less divisive than views of coverage of the campaign.

Most Americans also felt that the amount of coverage of the crisis was appropriate. However, a sizable minority said that coverage of the government’s financial rescue plan was not critical enough: 42% expressed this view; and just 10% said coverage of the bailout was too critical.
Reactions to Coverage Of the Economic Situation

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<th></th>
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<td>Job press has done</td>
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<tr>
<td>Excellent</td>
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<tr>
<td>Good</td>
<td>41</td>
<td>39</td>
<td>42</td>
<td>41</td>
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<tr>
<td>Only fair</td>
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<td>19</td>
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<td>Poor</td>
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<td>17</td>
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<td></td>
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Amount of coverage:

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<td>Too much</td>
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<td>Too little</td>
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<td>17</td>
<td>21</td>
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Coverage of gov't rescue plan is... *

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<td>Too critical</td>
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<td>15</td>
<td>8</td>
<td>10</td>
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<tr>
<td>Not critical enough</td>
<td>42</td>
<td>36</td>
<td>44</td>
<td>41</td>
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<tr>
<td>About right</td>
<td>44</td>
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<td>Don't know</td>
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<tr>
<td></td>
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</table>

Oct. 3-6, 2008.

*Question: As you may know the govt is potentially investing billions to try to keep financial institutions and markets secure. In reporting about this plan, do you think news organizations have been too critical of the govt plan, not critical enough of the plan, or have news organizations handled this about right?*

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Top News Interest Stories of 2008

<table>
<thead>
<tr>
<th>Story...</th>
<th>Followed very closely</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Conditions of U.S. economy (Sept 22-28)</td>
<td>70</td>
</tr>
<tr>
<td>2. Rising price of gasoline (June 2-8)</td>
<td>66</td>
</tr>
<tr>
<td>3. Debate over Wall St. bailout (Sept 29-Oct 5)</td>
<td>62</td>
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<tr>
<td>4. 2008 pres. general election (Oct 13-19)</td>
<td>61</td>
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<tr>
<td>5. Major drops in U.S. stock market (Oct 6-12)</td>
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<tr>
<td>6. Falling price of gas and oil (Oct 13-19)</td>
<td>53</td>
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<tr>
<td>7. Hurricane Ike (Sept 8-14)</td>
<td>50</td>
</tr>
<tr>
<td>8. Wall Street financial crisis hits (Sept 15-21)</td>
<td>49</td>
</tr>
<tr>
<td>9. Obama transition (Nov 17-23)</td>
<td>49</td>
</tr>
<tr>
<td>10. 2008 pres. primary election (Feb 11-17)</td>
<td>44</td>
</tr>
<tr>
<td>11. Hurricane Gustav (Sept 1-7)</td>
<td>42</td>
</tr>
<tr>
<td>12. Debate over auto bailout (Nov 17-23)</td>
<td>41</td>
</tr>
<tr>
<td>13. Rising unemployment (Dec 1-7)</td>
<td>40</td>
</tr>
<tr>
<td>14. Floods in the Midwest (June 16-22)</td>
<td>39</td>
</tr>
<tr>
<td>15. Beijing Olympic games (Aug 18-24)</td>
<td>35</td>
</tr>
</tbody>
</table>

For stories measured multiple times the highest percentage for “very closely” is shown.

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Footnotes

1. Gallup/USA Today Poll released November, 2008. The results: 4% rated the ethics of journalists as very high, 21% as high, 44% as average, 21% as low and 10% as very low.

2. Gallup/CNN/USA Today Poll released November, 2005. The results: 4% rated the ethics of journalists as very high, 24% as high, 44% as average, 21% as low and 6% very low.

3. Gallup Poll released July, 1976. The results: 7% rated the ethics of journalists as very high, 26% as high, 50% as average, 14% as low and 3% as very low.

5. The results for the 2002 poll: 9% of the people reported a “great deal” of confidence in the national news media and 12% “no confidence at all.”

6. All of these measures are based on those able to rate the news organization, not on a total of those surveyed.


9. Pew Research Center for the People & the Press Re-Interview Poll, Nov, 2008. Specifically, 9% gave the press an A; 25% a B; 26% a C; 15% a D; 24% an F.


12. A study of the coverage by the Project for Excellence in Journalism found that there was a difference in the tone, though much of it was driven by stories that reflected Obama’s lead in the polls. In the six weeks following the conventions through the final debate, unfavorable stories about McCain outweighed favorable ones by a factor of more than three to one. For Obama, just over a third of the stories were clearly positive in tone, while a smaller number (29%) were negative. winning media campaign.


**Author’s Note**

Author’s Note

By the Project for Excellence in Journalism

This report each year attempts to analyze the major sectors of the news media in depth and to look across those different elements of the news media to see broader trends.

For each of the nine sectors studied, we examine developments in five different distinct areas—audience, economics, newsroom investment, ownership and digital journalism—and, often, alternative outlets as well. We aggregate as much publicly available data as possible in one place and include original content analysis. In addition to numerous new charts of data, most compilations from earlier reports are updated and still available.

Our goal is to be a resource for the public, journalists, students, academics, those in government and those who want to use the news culture to communicate. People can approach the material in this report in several ways. They can go directly to the medium about which they are most concerned — say, local television news — and drive vertically through it. Or they can focus on a particular issue — audience trends, for example — and move horizontally across different
media sectors to see how consumption of news and information is changing. They can move across the introductory overviews of each sector. They can flip back and forth between our narrative and the interactive charts and tabular material. Or they can work through the statistics for themselves, making their own charts, answering their own questions, in effect creating their own reports.

Our desire in this study is to answer questions we imagine any reader would find important, to help clarify the strengths and weaknesses of the available data, and to identify what is not yet answerable.

The study is the work of the Pew Research Center’s Project for Excellence in Journalism, a nonpartisan and nonpolitical institute that studies the information revolution. PEJ is one of seven initiatives that make up the Pew Research Center in Washington, D.C. The center and this work are funded by the Pew Charitable Trusts. The chapters were written by the Project’s staff, with the exception of the chapter on newspapers, which was written with the help of a co-author. All of the chapters also benefit from the input of teams of readers who are experts in each media sector.

Our aim is a research report, not an argument. Where the facts are clear, we hope we have not shied from explaining what they reveal, making clear what is proved and what is only suggested. We hope that we are not seen as taking sides. Our intention is to inform, not to persuade, and where we interpret data to draw conclusions, our goal is to do so in a way that is fully supported by the data, and only when those data are clear.

We have tried to be as transparent as possible about sources and methods, and to make it clear when we are laying out data and when we have moved into analysis of it. We have attempted, to the best of our ability and within the limits of time, to seek out multiple sources of information for comparison where they exist. Each year we hope to gather more sources, improve our understanding and refine our methodology.

Our approach — looking at a set of questions across various media — differs from the conventional way in which American journalism is analyzed, one medium at a time. We have tried to identify cross-media trends and to gather in one place data that are usually scattered across different sites. We hope this will allow us and others to make comparisons and develop insights that otherwise would be difficult to see.

**Executive Summary**  [See end of document]

**En Espanol**

PEJ Exec Summary 2009 SPANISH translation final  [See end of document]
Special Reports – Summary Essay

Special Reports

Citizen-based Media

From producing original content and commentary to sharing and ranking news produced by professionals, citizens became an even larger part of the daily news information flow in 2008.

Lessons of the Election

What did we learn about the news media from the election of 2008? An essay by PEJ director Tom Rosenstiel and senior counselor Bill Kovach.

New Ventures

These ventures are a new feature of American journalism worth watching.

Citizen-Based Media

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From producing original content and commentary to sharing and ranking news produced by professionals, citizens became an even larger part of the daily news information flow in 2008.

Among the findings:

- Citizen news sites remain relatively rare. Among those that do exist, the range of topics is narrower and the sourcing somewhat thinner than on legacy news sites, and the content is generally not updated, even on a daily basis. But they offer richer content than citizen blogs. These are among the key findings of a new multi-university study of new and old media in 46 markets that builds on a pilot study we presented last year.

- Social networking and citizen video sharing broadened in important ways as a means of distributing news, not just for social interaction and entertainment
Citizens also continued to engage more in aggregating news for themselves and creating sites built around user-generated news agendas, particularly at sites like Reddit, Digg and Topix.

In legacy media, news organizations continued to experiment in various ways with citizen contributions, but most seemed to be leaning toward citizens as sources rather than as journalists, and some large experiments with citizen reporting failed.

A growing array of alternative news sites run largely by professional journalists also emerged during the year. That is covered in another special report entitled New Ventures.

Citizen News Sites and Blogs: A Two-Part Study

To get a better sense of what citizen journalism sites (both news sites and blogs) offer and how they differ from websites tied to legacy media, a team of researchers from Michigan State University, the University of Missouri and the University of North Carolina embarked on a two-part study, “Tracking and Analyzing Community News Models,” funded by the Pew Charitable Trusts and the Knight Foundation.

The first phase, conducted in late 2007, was released as a part of our 2008 State of the News Media Report. That report, auditing 64 sites in 15 areas, found that the citizen sites tended to offer even less citizen participation than the legacy websites in those places.

The new, much larger, second phase of this research released for the first time here studied 363 journalism sites in 46 markets (145 citizen journalism sites and 218 tied to commercial media). The new findings establish clear differences between citizen blogs that primarily offer commentary (along with links to already reported information) and a new array of citizen news sites that also do original reporting.1 The broader citizen news sites were more interactive, more transparent and more likely to use citizen content. Blogs, while easy to create and set up, were much more limited and less open. Even legacy media now surpass blogs in many of the characteristics that citizen media were once supposed to represent.

Among the findings:

- Blogs were the least the likely to allow citizens to contribute — even to post comments or e-mail the site. The leaders in such interactivity were citizen news sites.

- Legacy media excelled in creating innovative ways for people to download or receive content.

- Legacy sites were also the most transparent about their policies and expectations for users.

- One area where legacy media trailed both citizen blogs and news sites was in providing links within their news stories to outside material. Legacy sites were more than twice as likely as citizen sites to offer no links to outside material.

- On the other hand, the citizen sites linked to legacy news sites twice as often as legacy sites linked to citizen sites, with the citizen sites using the legacy sites as their “news” source.
The nature of the content on the three types of sites varied fairly sharply. Legacy sites provided the greatest percent of news (89%), close to double that of citizen news sites (56%), and three times that of blog content (27%).

**Content from Users**

One oft-cited appeal of citizen journalism is that it gives voice to average citizens, allowing them to contribute to daily news in a way that was not possible before the Internet. The new study, however, suggests that is far from universal. In particular, citizen-run blogs (traditionally those offering primarily commentary and links) trailed far behind other kinds of sites in every aspect of allowing users to post their own information. Citizen news sites, on the other hand (those producing original reporting), have embraced this more fully, even outpacing legacy sites.

**Openess to Citizen Participation**

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Legacy News</th>
<th>Citizen News</th>
<th>Citizen Blog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Interaction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Polls or surveys present</td>
<td>42%</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Forums present</td>
<td>31</td>
<td>47</td>
<td>36</td>
</tr>
<tr>
<td>Citizen’s ability to upload:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information about community activities</td>
<td>57</td>
<td>70</td>
<td>17</td>
</tr>
<tr>
<td>News/feature stories</td>
<td>32</td>
<td>62</td>
<td>16</td>
</tr>
<tr>
<td>“letters to the editor”</td>
<td>41</td>
<td>40</td>
<td>16</td>
</tr>
<tr>
<td>Audio</td>
<td>4</td>
<td>28</td>
<td>1</td>
</tr>
<tr>
<td>Photographs</td>
<td>34</td>
<td>45</td>
<td>9</td>
</tr>
<tr>
<td>Video</td>
<td>12</td>
<td>34</td>
<td>1</td>
</tr>
</tbody>
</table>

Just 17% of blogs allowed outsiders to post content about community events, one-fourth that of citizen news sites (70%). At traditional media sites studied, the number was 57%.

And only 16% of blogs allowed users to post news or feature stories versus 62% of citizen news sites and 32% of legacy.

Video and audio uploads were almost unheard-of on citizen blogs — a mere 1% of those studied — and they are still not the norm at citizen news sites (35%) or legacy media sites (12%).

One example of a citizen news site that allows participation from readers is Pegasus News (Dallas) http://www.pegasusnews.com/news/. Users can upload an event or a photo, build an RSS feed to oneself, comment on stories and are even invited to tell your own related news story.
Distribution Options

When it came to helping users access or download content posted by the site, it was legacy sites that excelled. The old media, in short, are best exploiting the Internet in pushing content out. In most downloading options, citizen news sites again offered more options than blogs, although they trailed legacy news sites.

Presence of Various Distribution Systems

<table>
<thead>
<tr>
<th>% of sites with each feature</th>
<th>Legacy News</th>
<th>Citizen News</th>
<th>Citizen Blog</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSS Feed</td>
<td>75%</td>
<td>77%</td>
<td>89%</td>
</tr>
<tr>
<td>MP3/iPod feed available</td>
<td>28</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Content delivered to cellphone</td>
<td>29</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Able to e-mail stories to a third party</td>
<td>79</td>
<td>30</td>
<td>25</td>
</tr>
</tbody>
</table>

The one distribution feature where blogs prevailed was RSS. (Fully 89% sites offered RSS feeds compared with three-quarters of legacy and citizen news sites.) Many online professionals now think this delivery system, while still growing, is losing out to newer and simpler distribution methods.

In particular, many websites are moving toward mobile phone or mp3 downloading options, and here citizen news sites and blogs both fell far behind traditional media. Together, just 9% of citizen news and blogs offered podcasts and a mere 3% cell phone delivery. E-mailed stories, a standard offering at 79% of traditional media sites, were an option at only a quarter (27%) of the combined citizen sites.

Who They Are

If citizen media implies the promise of more transparency and openness to the news process, in practice there is still a long way to go. While two-thirds of the citizen sites studied provided some type of mission statement, only about 40% offered any behavior policy or privacy statement for users, or legal information, and citizen blogs were the least likely of all to do so.

And how about contacting the individual or group managing the site? E-mail was the only option at most citizen-oriented
sites. Eight in ten of these sites provided some kind of e-mail contact information. But even the 20% without it stand out as problematic in a genre that is about connecting and uniting. Among legacy sites, a full 98% provided an e-mail address.

Nor did the citizen media sites offer much in the way of helping people contact anyone through old-fashioned snail mail or telephone, or even getting a sense of where the people creating the website were located. Only three in ten citizen news sites and a mere one in ten citizen blogs provided this information. Among the traditional media, this was standard (more than 80% of the sites studied).

Presence of Contact, Background & Legal Information
Percent of Sites

<table>
<thead>
<tr>
<th></th>
<th>Legacy News</th>
<th>Citizen News</th>
<th>Citizen Blog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose/mission of site</td>
<td>80%</td>
<td>91%</td>
<td>65%</td>
</tr>
<tr>
<td>Legal information about site</td>
<td>69</td>
<td>51</td>
<td>32</td>
</tr>
<tr>
<td>Information about behavior</td>
<td>68</td>
<td>49</td>
<td>36</td>
</tr>
<tr>
<td>Privacy Policy</td>
<td>75</td>
<td>49</td>
<td>30</td>
</tr>
<tr>
<td>Email contact</td>
<td>98</td>
<td>91</td>
<td>74</td>
</tr>
<tr>
<td>Phone number</td>
<td>88</td>
<td>28</td>
<td>9</td>
</tr>
<tr>
<td>Address</td>
<td>81</td>
<td>32</td>
<td>7</td>
</tr>
</tbody>
</table>

Content

When it comes to the content itself, there were broad differences in what users might find among blogs, the newer breed of citizen news sites and old media. It should be noted that only stories posted on the day of the download were analyzed. As a result, the number of stories analyzed for the citizen sites dropped greatly (from 145 sites to only 80 stories). Thus there was much less “fresh” news on the citizen than the legacy sites.

As an example, 64% percent of daily newspaper news sites had a new top story on the day the sample was downloaded. On average, 42% of the other legacy news sites (weekly newspapers, television news stations, and radio sites) had a new top story on the day the sample was downloaded. On citizen sites, the percentages dropped considerably, to 23% for citizen news sites and 36% for citizen blogs.
Blogs, again, were the most distinct, and the most limited. Looking at home page stories, legacy sites devoted nearly all their posts (89%) to original news reporting. Citizen news sites provided much less reporting (57%), as well as opinion and special content like calendar items. On citizen blogs, opinion lead the way (47%) with the remainder of posts divided between reportage and special listings.

Type of Content Offered
Percent of Posts Studied

<table>
<thead>
<tr>
<th></th>
<th>Legacy News n=180</th>
<th>Citizen News n=25</th>
<th>Citizen Blog n=55</th>
</tr>
</thead>
<tbody>
<tr>
<td>News</td>
<td>89%</td>
<td>56%</td>
<td>27%</td>
</tr>
<tr>
<td>Opinion</td>
<td>8</td>
<td>16</td>
<td>47</td>
</tr>
<tr>
<td>Specialty</td>
<td>3</td>
<td>28</td>
<td>26</td>
</tr>
</tbody>
</table>

Blog posts were also much more likely to offer no sourcing of any kind (other than the author's) to support their analyses. Nearly two-thirds (64%) of posts had no sources, and 22% had just one. On citizen news sites, single-sourced accounts were most common (36%), but more than a third of the content offered two sources or more. The legacy news sites studied were the most deeply sourced. Nearly half of the posts (46%) offered at least two sources. But the amount of content without any sources cited was not that different from citizen news sites (24%).

Level of Sourcing
Percent of Posts Studied

<table>
<thead>
<tr>
<th>Total Number of Sources</th>
<th>Legacy News n=180</th>
<th>Citizen News n=25</th>
<th>Citizen Blog n=55</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>24%</td>
<td>28%</td>
<td>64%</td>
</tr>
<tr>
<td>1</td>
<td>27</td>
<td>36</td>
<td>22</td>
</tr>
<tr>
<td>2</td>
<td>13</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>11</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>7</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>5 or more</td>
<td>17</td>
<td>20</td>
<td>6</td>
</tr>
</tbody>
</table>
The one area where citizen journalism sites—both news and blogs—exceeded legacy sites was in links to outside content. Fully 91% of the content on citizen blogs and 89% of citizen news sites offered at least one outside link. That was true of 77% of legacy sites. Citizen sites were also much more likely to offer multiple links. Roughly 70% of the home page stories from both citizen blogs and news sites (with blogs slightly outpacing news sites) offered 11 or more links, close to double that of legacy sites (38%).

Use of External Links
Percent of Sites

<table>
<thead>
<tr>
<th>Total External Links</th>
<th>Legacy News</th>
<th>Citizen News</th>
<th>Citizen Blog</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zero</td>
<td>23%</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>1 to 5</td>
<td>16</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>6 to 10</td>
<td>23</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>11 to 30</td>
<td>31</td>
<td>26</td>
<td>33</td>
</tr>
<tr>
<td>31 to 50</td>
<td>5</td>
<td>9</td>
<td>‘4</td>
</tr>
<tr>
<td>51 to 100</td>
<td>1</td>
<td>11</td>
<td>‘6</td>
</tr>
<tr>
<td>101 or more</td>
<td>1</td>
<td>19</td>
<td>8</td>
</tr>
</tbody>
</table>

But it should be noted that citizen sites were linking much more to legacy sites than the other way around. Only 14% of legacy links were to citizen sites. But 29% of citizen sites were to legacy sites, suggesting that the legacy sites were providing a flow of “news” to the citizen sites.

What does all this portend? Certainly access to inexpensive, interactive technologies and an interest among citizens to have more of a voice in daily news has led to much more citizen activity and citizen-based websites. Still, according to the authors, “citizen journalism sites in general offered fewer opportunities for citizen participation and interactivity than did legacy-based sites,” with citizen blogs offering the least of all.

And, although the study did not track this statistically, many citizen news sites vanished during or soon after the study.
The Multnomah Villager, www.multnomahvillager.com, for example, was started in 2005 and included in the sample, but suddenly closed in February, 2009. Others went dormant for months and then began back up again.

Still, citizen news sites continued to grow and develop. J-Lab: The Institute for Interactive Journalism lists about 800 community news websites or blogs that “attempt to cover community news and information with some journalistic DNA," according to executive director Jan Shaffer. Some, says Shaffer, are run by former journalists and others by people from outside the profession.

Among many examples, New Castle Now in the area of Chappaqua, N.Y., was begun when the local newspaper closed down. It produces a full range of news and commentary and listings about the local community along with citizen comments. In Cambridge, Mass., Cambridge Community Television features nine citizen journalists who use both the Web and television media to “promote community events, alert neighbors to proposed development, and explore difficult issues like violence and racism.” Such sites are also appearing in the ethnic media, such as ourtahoe.org, a Spanish-language newsletter and website that highlights issues important to the Latino population in North Lake Tahoe.

Enough such sites exist now that associations and networks to support them are forming. The Knight Citizen News Network, a self-help portal for community news and information sites created by J-Lab, had nearly 800 member sites as of February 2009. Similarly, the Center for Citizen Media, started by Dan Gillmor, a technology writer, and jointly affiliated with Arizona State University’s Walter Cronkite School of Journalism and Mass Communications and the Berkman Center for Internet & Society at Harvard University. The center, according to its website, works to enable and encourage citizen journalism.

**Social Networking and Video**

The university study focused on blogs, citizen news sites and legacy media in specific places. But two other forms of citizen media, often with a more national scope, gained a larger role in news in 2008: social networking sites and video sharing.

While YouTube, the most popular video sharing site, is known for entertainment content, news sharing became a more important part of the site’s identity in 2008.

A key reason is an explosive growth in users. Consider that the site had 82 million unique users in December 2008, up from 31 million in January 2007. And more of those people than ever used the site as a way to watch news and information about public affairs.

One of the best examples of this came during the 2008 presidential election. According to Newsweek magazine, users viewed 3 billion videos during the campaign featuring either John McCain or Barack Obama, representing 15 million hours of viewing.

Some of these were the campaigns themselves communicating directly. Officials from the Obama campaign told PEJ that its channel on YouTube alone had more than one billion videos downloaded during the course of the race.

Some of the election videos, such as the famous “Obama Girl” video, were original creations by citizens. And while not
traditional news stories or Obama campaign material, they often carried as much impact on citizens. Other videos, taking the role that television news has traditionally played, highlighted gaffes, or inconsistencies, made by opposing candidates on the campaign trail.

While YouTube is a form of social networking, other sites, such as Twitter (See Online Section for more Information on Twitter), make that kind of open source connection even simpler using text. And there are other lesser-known and less trafficked sites that combine aspects of both, offering users a place to share video, audio and pictures as well as text-based stories.

One example is Plurk. Like those on Twitter, users on Plurk create profiles and “follow” other users’ feeds to keep up on what they are posting, but along with the 140-character postings, Plurk offers a way to share videos and other multimedia content. At this point it attracts only a fraction of the audience that Twitter does, but the option of video clearly has some appeal. In December 2008, Plurk had a unique audience of 212,000, compared to Twitter’s 1.9 million.

The two most popular social networking sites, Facebook and MySpace, are used more for sharing personal information and staying in touch with friends.

But in December 2008, Facebook, the leader of the two with a unique audience of 54 million, added a feature that became at least partly (and perhaps unintentionally) a portal for news. Facebook’s “newsfeed” is a running posting of updates about what any user’s friends are doing, but it is increasingly being used to share content from other places that users want the Facebook community to see. During the election this was especially evident as users declared their support for one candidate or another. Videos from the campaign trail were a regular occurrence on Facebook, as they were on YouTube.

**Citizen Aggregated News**

If Blogs, citizen news sites and social networking all grew in 2008, so did a fourth category of citizen-based media—citizen aggregation.

With citizen aggregation, citizens are not doing the original reporting, but ranking work reported by others by voting and sharing stories online, creating, in effect, a user news agenda.

Digg, for example, studied in-depth in our 2007 Report, bases its story rankings on votes from the Digg community. In order to vote on a story, users have to create a profile on Digg. Similarly, users on Reddit submit links that are then voted up or down by other users, and the links are organized by topic.

Topix is similar, but has a hyper-local focus and more involvement of users who can submit stories and discuss issues affecting their communities. Rivaling Digg in unique audience traffic, Topix stands out among the user-ranking sites for its focus on local news. In December 2008 Topix had a unique monthly audience of 6.2 million, compared to 6.8 million at Digg.

This hyper-local focus also means that Topix, unlike Digg or Reddit, can tailor itself to local advertisers rather than national ones and allow advertisers to post their ads only to users that live in the community they exist in.
All three of these aggregators and others are becoming fixtures on traditional news sites as well. Many legacy news sites, now aware of the impact of these rankings, are making it even easier for citizens to do so. Most major news sites now attach to stories links to Digg, Reddit, Topix or other such sites so users can easily put that story in the ranking.

**Legacy-Based Citizen Media**

For the last several years, legacy media, too, have been trying to figure out the right way to incorporate citizens into their own news content. In 2008, those efforts became more refined, and the scope of that activity took a more distinct shape.

The challenge, according to online editors at a USC-Knight Digital Conference in 2008, is for each organization to figure out what citizen contributions are the most valuable as well as the most appealing to its audiences.

Some attempts have proved successful, while others were abandoned because of low participation or quality control issues. CNN, for example, first started its iReport.com in August 2006. It was spun off as its own site the following February, and later relaunched in a slightly different form.

The Oregonian, the newspaper in Portland, on the other hand, used citizen volunteers in its coverage of the 2008 primary caucuses there. Editors culled volunteers, brought them in for training and assigned them to specific tasks before the event. The work paid off as the paper’s website was the first to predict the winners of several caucuses.

Many of the efforts are local. What follows below are just a few examples from 2008.

**Hartford Courant’s iTowns**

The Hartford Courant in 2008 launched iTowns to bring citizen journalists in Connecticut to the paper’s website as well as the print edition.

Readers can go online and submit articles, photos, videos, event calendars and other information to one of six regions around Hartford, where towns are the basic unit of local government. The idea is that content submitted by users is locally targeted to wherever that user is from. Each region also has a local reporter who blogs about his or her region and adds content to reader postings.

Each Sunday a printed edition of iTowns is delivered to readers in its area. In addition to citizen-submitted news content, the paper has asked local artists to submit their work to provide the cover art for the weekly print edition, and online there is a photo gallery of the various covers that also helps give some exposure to the artists.

**The Lawrence (Kansas) News University**

Dennis Anderson, managing editor of The Lawrence (Kansas) Journal-World, created a “news university,” operated jointly by the newspaper and the University of Kansas School of Journalism and Mass Communication, teaching citizens the basics of newsgathering. According to Anderson, 162 citizens applied for the 25 slots available for the most recent 10-hour course, conducted in five two-hour weekly sessions. The results looked promising, but the project was in its early days.
Other experiments did not fare well. Among the most ambitious was Co-Pilot, a citizen media section in print and online of The Virginian-Pilot in Norfolk, Va. The Pilot made an effort to build citizen contributions into the paper. It picked one of its best editors to run the section, sent her to Spain to study a similar section there and published the section three times a week.

The result, the Virginian-Pilot’s editor, Dennis Finley, said, was a nine-month struggle that ended in March 2008 when the section was killed. “Mostly, we discovered it is not the savior we thought,” he said. “It was very difficult to get quality reader-produced content.” He added that the feature was not popular in the newsroom and that, even though readers said they wanted it, in the end, “nobody cared when we got rid of it.”

Survey Data on Citizen Activity

Other evidence in 2008 also reinforced the notion that citizen media, at least within the context of legacy sites, would have an important role, but that it would not involve citizens being their own reporters. In a 2008 survey of newspaper editors, a majority expressed a cautious assessment of the value of citizen content. Several complained that getting acceptable written content — e.g. stories — from citizen journalists usually required significant investments of newsroom staff time to train, coach, educate, confirm and edit. “It’s not the answer,” said Miami Herald executive editor Gyllenhaal. “The idea that all you must do is open the gates and copy flows in is not right. Like anything good, it takes work, a lot of time and a lot of thought.”

That is reinforced from findings of the Pew Research Center for the People & the Press’ biennial survey on news consumption. It found that Americans are not taking advantage in large numbers of the potential that the Web offers to create content — or be their own reporter. What they are doing instead, to a much greater degree, is exploiting the opportunity to manage the content they use for themselves — or become their own editors. They are checking for news throughout the day, hunting through links and aggregators to find what they want, sorting among many sources, and sharing what they find with friends.

Consider that more than half of the respondents (53%) said they used search engines to hunt for news on particular subjects at least once a week. When getting news online, more often than not (50% vs. 41%) they follow links and arrive at a news site rather than going directly to the home page of a favorite news organization. Nearly half (47%) have emailed a news story to a friend (up nearly 20% from 2006). Nearly a quarter of Americans (22%) now have customized Web pages that include news, and this includes 12% of the least involved news consumers, the so-called disengaged. Fully 15% of Americans now receive e-mail alerts for news.

But the data showed they are not by and large producing content. Only 4% of Americans have ever posted their own news content, including videos or photos. Only 7% post comments about news stories, even on occasion.

Even among those most engaged with the new technology, the numbers are not large. Only one-in-five of the most technologically oriented users, a group that amounts to 13% of adults, post a comment on news stories even just occasionally. And only 1-in-12 have ever posted a photo or video.
Lessons of the Election

By Tom Rosenstiel and Bill Kovach

Few events in journalism reveal as much about the nature of the news culture as presidential elections.

The press focuses more resources on these events than virtually any others. With so much at stake, the partisan efforts to control and manipulate the media are more refined and disciplined. And due to their length, elections test the ability of the press to stick to a subject and probe it deeply. Nothing else the media do is closer to their core constitutional responsibility or more clearly rationalizes the reason for a free press in the first place.

So what did we learn about the news media from the election of 2008?

We believe there are six basic lessons to be learned from the last year, many of which stem from the converging trends of shrinking newsrooms, changing technology, the growing ability of campaigns to communicate directly with the public and a continuing explosion in polling.

1. On the whole, the political press is becoming more passive and reactive than it once was. It operates, on balance, more as a conduit and enabler of the campaigns and less as a reporter uncovering unknown facts or asking independent questions.

There is still, to be sure, a good deal of superb enterprise reporting, but a higher percentage of what the media provide to the public is reactive, probably more so than at any time in generations.

More of what we learned about these candidates than once was the case came from the impressions they wanted to convey or mistakes they made on the stump. Less of it came from the press learning things independently, turning over rocks and finding out things about these people they had not wanted us to know.

Some might consider this first criticism unfair. Don’t lump bloggers and cable TV talk fests in with the reporting press. They’re apples and oranges.
We think, however, it is important to take full stock of what people consider “the press” and the places they go for news and information. Those new media forms are part of that. Moreover, the shift toward a more reactive role can be seen in the reportorial press, as well, even in the best of it.

In 1992, perhaps a high-water mark for enterprise campaign reporting, for instance, David Maraniss of the Washington Post spent more than a year effectively becoming Bill Clinton’s biographer and won a Pulitzer Prize for the effort. Maraniss alone produced 13 major stories profiling Clinton’s past, his record and his character, during the year. In 2008, according to an in-house audit by the Washington Post ombudsman, the paper produced three major biographical pieces about Barack Obama, the largest, again by Maraniss, who no longer worked for the paper full time, for a special section.

Or consider the Los Angeles Times, which moved two reporters to Little Rock, Arkansas, for more than a year to uncover everything they could about Clinton in 1992. Among other things, the paper uncovered the hidden draft notice that Clinton denied receiving, produced a prodigious and probing biographical profile, and, though the story ran after the election, found that state troopers reportedly used to secure women for the governor. The paper in 2008—with half the news staff it once had—produced a third as many enterprise stories about Obama as it did about Clinton 16 years earlier.

Various forces—economic, technological and political—make the political media more passive.

Newsroom cutbacks are a major one. Fewer people in a news organization means those who remain have less time to work on enterprise stories. Relatively more of their time must be spent keeping up with the events of the day. Add to that, feeding new platforms – blogs, websites, Twitter feeds and more—spread them even thinner.

Stricter and more sophisticated control by the campaigns over the press is another factor. Candidates are more removed than ever. Some of this has to do with the culture of the press bus (more on this below), and some with greater cynicism about the press and sophistication about how to manage it. Some, too, is technology, which enables both distance and message control. Campaign aides even a few yards away now often communicate via BlackBerries rather than talk to reporters face to face, one seasoned political reporter told us. (Most of these journalists spoke to us on background, so that they could be more candid without antagonizing their colleagues or bosses.)

Technology also makes reporting more reactive in another way. More of a reporter’s time is spent trying to synthesize the e-mail, documents, press releases, memos and blitzkrieg of other material coming from various sources through their computers and BlackBerries, including the designated conference calls from campaigns.

To the good, this material allows reporters access to more sources and information, potentially more balance, and makes reporting more efficient, especially on the road.

But reporters we talked to also described the avalanche of stuff coming at them as “drowning,” “bombardment,” “onslaught,” coming “with greater frequency, volume and velocity” than ever. The challenge was not to let all that set the agenda, “not to be a slave to the inbox,” said one veteran of many campaigns, and “it took constant effort,” as one bureau chief put it.
Many also voiced unease about their news organizations’ websites. However successfully people felt that they personally avoided being spun by the digital blitzkrieg, almost all said on their websites and blogs they “vacuumed it all up,” as one reporter for a national newspaper put it. A reporter from another major paper said, “We have become much less discriminating in responding, resisting and reporting, not such much in the newspaper but because of our blogs. ‘Just give me a quick blog item,’ I was told, almost every day.”

And then there is cable, which in 2008 became the primary medium for conveying the campaign to Americans on television, according to surveys. The channels devoted hours a day to observing every small item—almost all of it live. Little was said back and forth between the campaigns that was not reported quickly here, an environment where, well before this campaign began, we had noted a culture of “assertion,” where items are quickly passed on in real time without a chance to check them. Across the medium, 67% of the time on cable came from talk format or live standup. Only 23% came from reported pieces in which correspondents have control of the message. 1

What press stories made a difference in 2008? Ombudsmen told us there was more reporting on the background and character of candidates during the primaries, when the process of discovery was new and went on longer. Yet arguably, the two most important stories about Obama came from a church DVD (the sermon by the Rev. Jeremiah Wright Jr.) and a tape made by a blogger doubling as a supporter (Mayhill Fowler) working for Huffington Post who recorded Obama’s statement about bitter small-town voters. The reporting on Sarah Palin’s background in Alaska by various news organizations probably represents the most memorable example of first-hand, pro-active reporting into candidate backgrounds during the general election in 2008.

Interestingly, it also attracted the harshest condemnation from the McCain campaign, which tried to squelch it.

But the bottom line is this: In 2008—and much the same could be said in 2000 with the election of President George W. Bush — we elected a president about whom we knew remarkably little, and most of it came from the impression they wanted to create, not from things the press uncovered. That was less true in the elections of Bill Clinton, George H.W. Bush or Ronald Reagan.

2. The Culture of the Bus has pushed campaigns farther away and put them more in control.

The press corps on the bus is now dominated by inexperienced reporters assigned to record everything that happens—so that more senior people do not have to be there. “I was stunned at the number of people covering the campaigns who had never covered any sort of campaign before – federal, state or local,” said one veteran reporter for one of the country’s top 10 papers. “In my first couple of campaigns, there were always people who were older and more experienced who I could learn from. I just don’t think that really existed for young reporters this time.”

One seasoned political writer called it “the embed culture,” a reference both to the Pentagon press program for war coverage and the system innovated by the television networks years ago to assign twenty-something researchers to body-watch the candidates and catalogue “everything that happens, most of it meaningless.”

This diarist culture has had an unintended consequence. “It mostly makes the campaigns more cautious and less willing to come back on the plane and talk to us, because everything gets picked up by the little cameras,” said one of the most senior political writers in the country. For journalists who want to do more analytic reporting, observe the candidate, talk
to senior staff or probe storylines, “It makes traveling with the candidates all but useless,” said one news magazine writer. A reporter for one of the country’s elite papers agreed, saying, “More than in past years, travel with the candidates is now considered babysitting.”

This sense, that being with the candidate is actually less revealing and less useful, creates a tension. Journalists now believe that watching the candidates close up is no longer a useful way to understand them. They see the plane as an altered state, a captured or staged reality. As a result, senior political journalists increasingly are developing their perceptions and insights from afar — by watching video of the stump speeches, watching the ads, and trying to get information from aides by phone or back at headquarters, away from prying eyes and ears. The journalists in that sense are not so much our surrogate eye-witnesses with the candidates. They are informed analyst/observers deriving their impressions at a distance, not unlike any other citizen. That, however, is a different vantage point than in it once was, and it produces a different kind of journalism. By degrees, that reporting is not answering this question: “Who is this person running for president, when you get to witness them up close day after day, in ways others cannot see, burrowing around the image?” It is answering, rather more: “What is my assessment of the campaign they are projecting?”

3. The overriding bias of the political press coverage continues to be the focus on horse race, strategy and tactics—and with the explosion in polling, that bias is growing, not shrinking.

Put all the discussion of liberalism, negativism and other questions of bias aside. Despite decades of criticism by scholars and sporadic efforts by journalists to alter the balance, the dominant lens through which the press saw the race in 2008 was who was winning and losing and why.

And our sense is that this is only deepening and becoming more pervasive.

Between January 2007 and Election Day, we examined 24,684 campaign stories at the Project for Excellence in Journalism. In all, 58% of that coverage—the space studied in newspapers and online and time on television and radio —focused on the horse race (strategy, tactics, polling, who is winning). Another 13% focused on three other purely campaign internals (largely fundraising and advertising). In all, thus close to 71% of all the coverage was about political process.

Everything else paled. In all, 13% of the coverage focused on policy. Another 7% looked at the candidates’ personal biography. Just 3% were framed around their public record. (And 6% of the newshole looked at the electorate and miscellaneous other matters.)

We do not mean to debate whether the horse race bias is justified. A squadron of political writers will remind that the campaign is a horse race after all, and that how a candidate runs their campaign says something about how they might govern. On the other side, the evidence that voters want something more from their coverage than this is overwhelming—in survey data, scholarly literature, in the questions voters ask at town halls and debates and elsewhere.

Our point here, rather, is that the horse race bias is not only huge but that it is growing, not diminishing.

Our content studies over the years offer a hint that there is more horse race now. Earlier studies, though they were just
snapshots of a month or so during the general election, found 55% horse race coverage in 2004 and 65% in 2000. 2

While there are host of reasons why horse race coverage is growing, the biggest is the explosion in public polling. From 1992 to 2008, the number of survey organizations conducting national campaign polls tripled, according to tracking by National Council on Public Polls. (And the council’s number may be low. Pollster.com, a website that tracks the industry, counted 46 organizations conducting national polls in 2008, but it does not have data from earlier years.)

There are also more poll releases. The Pollster.com website counted 491 polls released from January 1 through Election Day, an average of 1.58 polls per day. 3

A big reason for this extraordinary number is the acceptability of publicly releasing daily tracking polls, which gets a news organization’s name, and that of its pollster, in the media slipstream. As recently as 1992, releasing daily tracking was considered controversial because the numbers tended to move up and down erratically. The polls are still erratic, but the hesitation about releasing them is gone. In 2008, Gallup alone in the final weeks released three different tracking polls daily (with three different definitions of who was likely to vote).

With more polls to report, other factors then magnify their effect. Cable, with all its time to fill and the discovery that a near-Ahab-like focus on politics would help ratings, examined each new poll finding with credulous fascination. Surveys also provide places like MSNBC.com, Yahoo News, or Google News, and the political Web pages of even more traditional news sites, with constant updates of manufactured news.

Polls, too, were significant grist for alternative or citizen media on the Web, in particular for a host of innovative and interesting political websites that focus on politics, places like RealClearPolitics.com or FiveThirtyEight.com, that aggregate the proliferating polls, making them easier to track and average into new polls—the RCP Average (often referred to on Fox and elsewhere). FiveThirtyEight added sophisticated weighting and regression analysis. The sites made almost instantly available the kind of data aggregation that only a few years ago would have required a lengthy interview with a political scientist.

And to some extent, the growing charges of liberal bias against the press also make polls and strategy a safe haven, a place or lens through which to analyze the race that people of all stripes can agree.

All this enlarges a particular media syndrome that might be best described as the media echo effect. The expansion of polls, and the media’s fascination with seeing the race through their strategic lens, creates a repeating and reinforcing pattern in which the media reinforce and then magnify any phenomena they observe. The press covers what the candidate does that day. The polls measure the political impact of that behavior. The media then analyze whether the latest campaign performance is helping in the polls. And that in turn influences the candidate’s behavior.

And winning in the polls begets winning coverage. Indeed, our analysis found that when he was rising in the polls and edging ahead of Barack Obama just after the Republican convention, John McCain received more positive coverage than his rival. When he began to falter during the economic meltdown, the tone of that coverage changed markedly. And it was just so with Obama. While his coverage was not overwhelmingly positive (in the same way that McCain’s was overwhelmingly negative), the balance of that tone rose and fell with his poll numbers.
4. The 24-hour media abdicated a good deal of their newshole to spin doctors, surrogates and partisans.

This is another dimension of the more passive press. With fewer people on staff, more space is given to partisans, surrogates and spin doctors to push their party agendas. And often these people are identified as “analysts” or as “contributors.”

The phenomenon is most clearly seen on cable television, where on two of the channels the appeal of a good many shows is clearly partisan or ideological in nature.

To probe this point, at PEJ we analyzed the coverage of the three cable channels on different election nights during the year—on February 5 (Super Tuesday), May 13 (the West Virginia primary) and June 3 (Montana and South Dakota).

On all three, large chunks of time were handed over to so-called analysts or contributors who were, by all practical measures, surrogates, even if they weren’t clearly described as such.

On MSNBC, for instance, “contributors” filled 17% of the airtime, but most of them—filling 82% of that contributor time—were people with clear preferences, though they were not always labeled so. Gene Robinson, who was identified as a journalist from the Washington Post, for instance, was manifestly an early Obama supporter, though that was never made explicit. Add in the 22% of time filled by staff at MSNBC who had their clear preferences, particularly Keith Olbermann and Chris Matthews, and 39% of the time from 8 to 11 p.m. on the three primary election days was filled with partisans and surrogates. Now add in another 27%, the time given to those who were explicitly labeled as candidate surrogates (or the candidates themselves), and a total of 66% of the airtime was filled with candidate spin.

On Fox News, that number was almost identical, 40% of the time was filled by partisans, spin doctors or unlabeled surrogates—broken down into 27% by contributors and guests who were partisans (not including elected officials) and 13% by staff such as Sean Hannity, Alan Colmes and Bill O’Reilly. Then add in the candidates or their explicit surrogates, 27% more, and the number jumps to 68%.

On CNN, the numbers were smaller: 14% of the time was filled with contributors who were really partisans, people such as Republicans Alex Castellanos and William Bennett, Democrats Paul Begala, James Carville and Donna Brazile, or even pro-Obama “analysts” such as Roland Martin or Jamal Simmons. Only David Gergen, among the contributors on CNN, came across genuinely independent in his remarks. Another 21% were candidates and their formal surrogates, so the number of partisans rises to 35%.

All this represents another element in the new political culture of the news media operating as a conduit rather than an intermediating filter. Nor does it include the raft of new media channels, such as the websites of the campaigns themselves or their offshoots, or bloggers who operate further as extensions of the campaigns.

5. Contrary to predictions, this was not the first “Internet Campaign.” It was really, rather, the first “Hybrid Campaign.” The old media and the new tended to play interdependent and complementary roles.

It is easy to find predictions of the Internet’s ascendancy over politics, especially online. “The ‘first Internet campaign’ …
has finally happened,” blogger Ed Cone wrote on election eve. “The entire media universe has been subsumed into the network of networks.”

New technology no doubt played a major role in 2008. It was considered significant in 2004 that Democrat Howard Dean had a website with a blog. His campaign used the site to raise millions and to organize “meet ups” — events set up online but occurring in the real world. John Kerry subsequently used the Internet to make up some of the fundraising deficit he faced against President Bush.

Four years later, such accomplishments seemed small by comparison to how Obama used of the Internet. His website contained social networking with nearly 10 million “friends,” allowed voters to blog, made it easy for supporters to pick up the latest news and talking points, download campaign posters and flyers, make computer-assisted phone calls to undecided voters in swing states, and map out door-to-door canvassing operations in their areas. If Obama represented a new kind of politics, his website was the most accessible symbol of that newness. And his campaign, in part thanks the net, shattered all previous assumptions about fundraising techniques or amounts.

John McCain’s site eventually offered similar tools that encouraged online networking with fellow supporters, facilitated letter-writing campaigns to newspapers and blogs, and helped supporters organize neighborhood fundraisers.

This was a meaningful evolution in the way candidates communicated.

But the old media were far from irrelevant. A more nuanced understanding of the media network is that the old and the new media were interdependent and often complementary. And the nature of the story tended to determine which media were most important at the moment.

To see just how complementary the old and new media are, consider one of the more important moments of old media in the race—the Katie Couric interviews on CBS News with Sarah Palin. The event was traditional—a candidate one-on-one with a network news anchor. The reach of those interviews was dramatically expanded, however, by YouTube. The week the interviews ran, 500,000 more people watched the television newscast cumulatively than had the week before (though the interview nights were not the most watched program that week). But the interviews drew nearly six times as many viewings on CBS’ YouTube channel during the election campaign, where there were 2.7 million viewings.

Or consider Barack Obama’s speech on race in Philadelphia on March 18, delivered at 11 a.m., in response to criticism of Wright, his former pastor. Roughly 4 million people watched the speech on cable news, about double the channels’ regular daytime audience. But 5.5 million watched it on YouTube.

Which medium mattered most at any one moment tended to depend on the nature of the story. The day that Palin, the governor of Alaska, was named McCain’s running mate, for instance, most traditional reporters were in transit from the Democratic convention in Denver to the Republican convention in Minneapolis. The moment was ideally suited to bloggers, who in large numbers could quickly cull records and archives readily available on the net, and perhaps more quickly than mainstream journalists might have. Within hours, bloggers had raised questions about her record on the Bridge to Nowhere, her tenure as mayor of Wasilla, and her efforts to have her former brother-in-law removed as a state trooper, all largely based on the archives of Alaska newspapers such as the Anchorage Daily News. A long, often critical but also carefully nuanced and at times praiseworthy e-mail from a critic of hers in Wasilla was distributed widely. A
good deal of what was known about Palin in those first two days came from blog work.

A week later, however, a change had occurred. Reporters from traditional news organizations had made their way to Alaska, were interviewing people in Alaska politics, and the picture of Palin began to be filled out by old-fashioned shoe-leather reporting, beyond what could be culled from the archives of the local press.

The two media were hardly in competition. They informed each other.

6. The press' wider embrace of fact checking political statements is one area where the journalists have tried to be more pro-active and push against the tide, but it can improve.

The fact checking phenomenon dates back only to 1990. That year, a series of news organizations in large states where political ads played a particularly major role—most notably the Dallas Morning News, the Los Angeles Times and the ABC television affiliate in Austin, Texas—determined that the media needed to do more to police the advertising that was influencing voter and that was then largely unmonitored.

This first generation of fact checking of ads came to be known as “truth boxes” because they often ran as graphics, with images of the ads in them and a spare amount of text that cogently dissected the ads.

While truth boxes had an uneven history, in time, journalists began to think they needed to also police other rhetoric from the candidates. Debates were among the first areas to be also go under the gaze of the truth squads, as early as 1992. And in 2004, former CNN ad watcher Brooks Jackson joined the Annenberg School at the University of Pennsylvania to create FactCheck.org, which became a resource for all news organizations monitoring any kind of rhetoric.

This year, the fact checking grew more robust. Among the most impressive was PolitiFact.com, a creation of the St. Petersburg Times and its sibling, Congressional Quarterly. It is an interesting example of a regional newspaper adding a feature that involved covering national politics, rather than just local, in a way that others were not. But others added their own teams, including the Washington Post.

Some critics charged the efforts seemed to do little to stem the tide of negative, exaggerated attacks in politics. Politico, the political website and newspaper, even wondered whether the proliferation of fact checking had the unintended effect of diminishing the press' authority as an authenticator. So many fact checkers might create the impression they were just another source of campaign chatter and Politico asked: “Has the drumbeat of fact checks blended into white noise, letting significant misstatements and deceptions get lost in the mix."

More press monitoring is never going to stop politicians from exaggerating their claims—and now there are even more ways for political figures to assert those claims around the media filter. An analysis by Mark Glaser at PBS found that the predictable and less independent fact checking efforts of partisan websites such as Media Matters (on the left) and NewsBusters (on the right) enjoyed far more traffic than the independent and more credible work of news organizations.

Yet that hardly means the press should stop trying. Journalists would have even less to offer if they abandoned trying to sort out what is a fact and what is not.
It is also true that fact checking won't determine how voters will react to the claims of candidates. Some people thought Al Gore's tendency to exaggerate on small facts was fairly insignificant compared to large indirections about policy of some other politicians. But others considered Gore's habit of gilding the lily a window into something about his character, an odd need to please and impress that was deeply unsettling. It is beyond the press to say which reaction is correct.

But the fact checking can do more—and should. We want to propose two ways.

First, once the press has checked a fact and found it questionable, it needs to find a way to make the corrected record more permanent. Fact checking will have the ironic effect of undermining a news organization's daily reporting if the questionable assertions continue to appear in subsequent days.

If candidates continue to make assertions that are untrue or misleading, news outlets should either not repeat those questionable assertions or should note, consistently and wherever they appear, that it has determined them to be doubtful. And other news organizations, if they believe the assertions questionable, might want to cite those doubts as well, even if it came from outside sources such as a rival organization or an independent one such as FactCheck.org.

This consistency is important. The press has to find a way to continue to remind people that the assertion found to questionable is no more true the next day than the first time the candidate uttered it.

Second, the fact checking the press does needs to get at larger truths.

There is tendency for this work to be rather literal. Did John McCain really call for deregulation 21 times in 2008? Did Michelle Obama really order $400 worth of lobster and caviar at a New York hotel? (Both of these are answered at PolitiFact.com.)

This basic fact checking is important and should continue. Candidates make inflated charges because they think they will hurt the other side and they can get away with it. It is useful to know whether Barack Obama really voted to raise taxes 94 times or not.

But it would be also helpful to know, on balance, which candidate was proposing to raise taxes more, on whom, where and roughly by how much. This would involve looking at a variety of claims from the candidates and putting them together.

There is a way to weave the facts you check into a context of many facts that tell a bigger picture. There is also a way to separate small distortions from large, and tell us whose distortions are bigger.

This is harder work. It is easier to determine whether a number is correct or not than to determine which policy may have what effect. And in some cases, perhaps a good many, the verdict might not be clear.

But failing to try to add up the small fact checking into something more meaningful leads to a dangerous and, we suspect, unintended implication: it suggests that there is no bigger picture, that all the policy proposals are just so many words designed to manipulate, some inflated more than others, but not adding up to much in the end. By this reckoning,
the sum total of fact checking is which candidate has fudged more small details, as if that were the measure of character.

This larger fact checking will be harder, without a doubt. It will also involve more than what a researcher might be able to accomplish with archives. It may require going to experts, doing more reporting and making interpretative connections. It may not be where the fact checking in the next election should begin. But it is a place to aim for where it might end.

Call it truth squadding, if you will, not just fact checking. But we think it is what citizens want, and where the press needs to aspire.

Footnotes
1. Most of the rest came from anchors reading the teleprompter or engaged in banter on the set
2. The 2000 and 2004 studies covered two-week time periods during the general election. The 2008 data covers the entire year.
3. Real Clear Politics counted 47 polling organizations

New Ventures
By the Project for Excellence in Journalism

As revenues and resources at traditional news outlets continued to decline, a number of independent new ventures have emerged, often led and staffed by refugees of the mainstream press.

These new sites vary in how they create content, the type of news they focus on and in how they fund their operations. Some are nonprofits; others have been given start-up money with the expectation of becoming self-sustaining; still others are full for-profit entities. Some cover very local news, others report globally and still others focus on niche areas such as health or science.

But one feature they all share is original reporting meant to fill what they see as an expanding void in what mainstream media now offer.

These ventures are a new feature of American journalism worth watching. For now, our sense is that they represent something complementary to the traditional news media, much in the way that an alternative weekly and city magazine complement, enrich and broaden the journalism in a given city. Yet something new is going on here that could grow beyond that.

What follows is a listing of some of the larger-scale ventures. Most began in 2008 but some started earlier and gained more solid footing during the year. We do not attempt to list all such undertakings here, but strive to touch upon the
Local News sites

VoiceofSanDiego.org

The VoiceofSanDiego.org began in 2005 and by 2008 had a staff of 11 to do investigative reporting of local issues in San Diego.

The site was initially created and funded by Buzz Woolley, a retired venture capitalist turned philanthropist, because of dissatisfaction with local news coverage. The goal, according to executive editor Andrew Donohue, was to provide San Diego residents with more choice and depth in issues that matter to the community — a need that he says has only grown as newspapers have witnessed serious declines. 1

In 2008, the John S. and James L. Knight awarded a $100,000 grant over one year. In addition, voiceofsandiego.org received a two-year $200,000 grant from the John S. and James L. Knight and the San Diego Foundations.

The staff of 11 includes nine professional journalists (six beat reporters, an editor, a photo/multimedia journalist, and one columnist/blogger, who is also the CEO). The other two employees are on the business side. In addition, the site has a regular stable of five freelancers and hires others as needed.

All nine of the journalists have their own blogs, and some reporting is done through blog posts updated through the day. While investigative reporting may normally be thought of as long in-depth pieces, Donohue says, The Voice shows how investigative reporting can be adapted to this newer form.

In 2006, the site began running a series of investigative reports on the Southeastern Development Corp., a development arm of the San Diego city government. The reports exposed waste and fraud at the organization and spurred a federal investigation as well as numerous other investigations that continue into 2009.

“Voice is doing really significant work, driving the agenda on redevelopment and some other areas, putting local politicians and businesses on the hot seat,” said Dean Nelson, director of the journalism program at Point Loma Nazarene University in San Diego. “I have them come into my classes, and I introduce them as ‘This is the future of journalism.’ " 2

The site gets between 70,000 and 80,000 unique monthly visitors, according to Google analytics (or between 45,000 and 50,000 if measured through another firm, Quantcast).
MinnPost.com

The nonprofit MinnPost.com was launched in 2007 by Joel Kramer, former publisher of the Minneapolis Star Tribune. It provides original reporting on the government, public affairs, the arts, business and sports of Minnesota, with relevant national and foreign news mixed in.

According to managing editor Roger Buoen, the site’s target audience is civically engaged citizens and younger people intensely interested in news and in non-traditional outlets.

Initial funding of $850,000 came from a number of private donors as well as grants from the John S. and James L. Knight and Blandin Foundations. But its financial goal is to reach sustainability through a mix of member donations, corporate sponsors and advertisers. To maintain its nonprofit status, advertising will be monitored to be sure it does not begin to bring in a profit.

As of June 30, 2008, MinnPost had 904 member-donors contributing amounts ranging from $10 to $10,000. By asking for member donations and reporting in an informal style, MinnPost is trying to “create a site that is close to a club,” said Kramer, who is the CEO and editor. 3

Originally, the outlet published a five-day-a-week print edition, but in 2008 moved to online-only. The organization employs three full-time staff members, as well as six full-time and part-time editors. In addition it keeps six reporters on retainer, journalists who are not on staff but receive a weekly fee to report for them. MinnPost also buys freelance articles from a pool of 40 journalists who have been published on the site before. According to Forbes magazine, Kramer had hoped to increase his $900,000 newsroom budget by 10% to 15% in 2009, but lower ad revenue from the economic downturn will keep it at the same level. 4

The original content ranges from quick updates of things happening in the Minnesota Legislature to longer reports and even multipart series. In fall 2008, MinnPost did a five-part series (the first installment is here) on how the Minneapolis school system had become re-segregated over the years.

MinnPost.com has a unique monthly audience of 180,000, with 600,000 page views per month. In February 2009, the site had 300,000 unique monthly visitors over 31 days between January 20 and February 20.
Launched on January 5th, 2009, Arizonaguardian.com is the brainchild of political consultant Bob Grossfeld and three reporters from the East Valley Tribune.

It is a niche, subscription-only news site, tailored toward those on the inside of the political process. According to Paul Giblin, a reporter for the outlet, "We are writing about issues that are important to the insider crowd at the Capitol and people deeply involved in government and politics, issues such as rules changes . . . and proposed changes to public records law." 5

As of early 2009, the Guardian employed four full-time journalists who report from the state Capitol 8 to 10 hours per day. They also, according to Giblin, make nightly updates from their homes so that the morning website has new content.

The stories are mostly short- and medium-length pieces, with longer articles expected when the Legislature is in recess.

The model is a kind of local version of what Congressional Quarterly has carved out at the federal level. With the shrinking press pool covering state governments, Giblin sees a real void waiting to be filled. "I expect news sites like the Arizona Guardian to pop up all over the country as newspapers continue to struggle with the changing economy." 6

There are three tiers of subscription plans — professional, nonprofit professional and individual. In each tier there are one-month and six-month subscriptions. The most expensive subscription is a professional subscription for six months, which costs $900, while the least expensive is an individual six-month subscription for $30. The professional subscription will get the user access to the entire site, while the individual subscription gets access to articles, but not premium content.

The New Haven Independent, created in 2006, is a site devoted to hyper-local news about New Haven, Conn. The Independent has 13 staff members, 3 of whom are staff writers and 5 contributing reporters.

The site, newhavenindependent.org, was formed in conjunction with an organization called the Online Journalism Project. Paul Bass, the founder and editor of the New Haven Independent, is also a founder and board member of the Online Journalism Project. The project helps journalists obtain grants or other financing to pursue work on their own, or to help them create local news sites similar to the Independent.
The New Haven Independent is a non-profit organization and has 3 funding sources: grants that support specific areas of reporting (such as Connecticut Health Foundation, which gave a grant to the Independent for online health care reporting), continuing sponsorships and donations from readers.

The content of the site includes reports about all aspects of New Haven, ranging from local government to arts and culture. The site’s mission is to give citizens of New Haven in-depth reporting on their city. The site publishes a mix of content, including video, audio, photo galleries and narrative reports. Throughout the day, there are shorter updates on breaking news such as happenings at the day’s City Council meeting, often with video or audio attached. There are also longer pieces that are more investigative. One such story was coverage of a local marshal who refused to issue a restraining order to an alleged child abuser and was now being questioned by a state commission on violence. The paper publishes three to five new pieces daily; it does not publish on weekends.

Topical News Sources

Also in 2008, several news operations launched to offer in-depth reporting of specialized topic areas.

Kaiser Health News Service

The Kaiser Family Foundation announced the creation of the Kaiser Health News Service in 2008 to produce stories related to the policy and politics of health care, including the insurance industry, physicians, hospitals and prescription drugs. The news service is based in Washington, D.C., with an expected annual budget of $2 million from the foundation.
Kaiser hired as the site’s top editors a pair of news veterans: Laurie McGinley, former deputy bureau chief for global economics at the Wall Street Journal, and Peggy Girshman, former managing editor of National Public Radio and an executive editor at Congressional Quarterly. Girshman and McGinley expect to hire another editor, several full-time reporters and also work with a handful of freelance reporters.

The site went live in early 2009, but in what Girshman refers to as a “ramping-up phase.” The full website and reporting operation are expected to launch in early May.

The site’s in-depth reports will be posted on its website as well as shared with mainstream news outlets. The structure of these partnerships is still being determined, but the goal of the news service, according to Girshman, is to get the information out there. There will be no fee to carry the stories.

In addition to in-depth pieces, the website offers the “Kaiser Daily,” a summary of the day’s top health news, based largely on their synthesis of reports from outside news organizations.

Three other organizations have similar, though less well-financed ventures under way: the Center for California Health Care Journalism, Florida Health News and the Kansas Health Institute News Service.

“In terms of these new journalism ventures, there is more activity in health than in any other area and they’re all slightly different,” said Louis Freedberg, director of the California Media Collaborative. 7

Kaiser Health News Service is funded by the Kaiser Family Foundation, which gets its money from the family that founded one of the world’s largest health care companies, Kaiser-Permanente. However, according to the Health News Service website, neither the site nor the Kaiser Family Foundation is affiliated with Kaiser Permanente. 8

GlobalPost.com

GlobalPost opened in January 2009 with a goal to provide in-depth international coverage.

GlobalPost correspondents, who live in countries around the world, are not full-time employees of GlobalPost. Instead, they are under contract, paid in cash and given an ownership position in the company. Some of these correspondents work for other news agencies, and GlobalPost also hires freelancers on occasion.

According to Rick Byrne, the outlet’s director of communications and marketing, GlobalPost tries to keep its stories short, to between 600 and 800 words, and focused on giving readers the perspective of someone living in the community.9
One of the most popular stories so far on GlobalPost, according to Byrne, was a video titled "For Which It Stands: Afghanistan, an Accordion Journey." It was a story by one of its correspondents who traveled through Afghanistan investigating the influences of American culture on Afghan pop music, as Byrne puts it, giving “a face and a voice to the people of a nation where the U.S. is involved in a military action.”

The economic model for GlobalPost, though still in its very early stages, has three pieces. The first is online advertising, with a hope that the global focus will attract a range of advertisers.

The second piece is syndication. GlobalPost offers to sell its content to other publications, both online and print, around the world. As newspapers continue to cut back on international coverage, GlobalPost hopes its syndication will prove a more cost-effective way for news organizations to include quality in-depth international content.

The third is a membership fee. But this fee goes beyond the traditional premium content element offered by some websites. Members of the program, called Passport, will get premium content and can also suggest story ideas. Each week, the top ideas are posted. Then members vote on which story they want GlobalPost to cover. Passport costs $199 per year for an individual membership, $50 for a student. GlobalPost also offers different rates for corporate membership, which are worked out on a group by group basis.

A section will be provided for members to suggest their ideas, such as proposals for GlobalPost to interview world leaders or newsmakers. The suggestions will then be posted online for viewing. This idea of using an audience to generate ideas, offer eyewitness accounts and more, dubbed “crowdsourcing,” is a tested one on the Web, but a new one in terms of choosing stories for journalists to cover.

Passport members also have access to twice monthly conference call in which members will be able to listen to and ask questions of a foreign correspondent writing for GlobalPost. The conference calls are available for listening and download online after they take place.

In addition to participation in the news process, Passport membership offers a number of tools to better organize and find information a user is looking for. One is called Global 10, which is a service that produces and organizes reports on 10 countries that are deemed under-covered by GlobalPost and in which “Americans are deeply engaged.” Members will be able to sign up for e-mails with reports on one or all of these countries every two weeks. In addition, members can sign up for alerts in which correspondents send updates on breaking news in their respective countries via e-mail.

Full monthly audience figures were unavailable due to the recent launch of the site, but the site got 200,000 visits in its first four weeks, according to Byrne.

*ProPublica.org*

ProPublica, begun in 2008 as a nonprofit devoted to investigative journalism, published a series of articles on nurses with criminal records in cooperation with the Los Angeles Times that has led to investigations and regulatory changes.
According to the ProPublica website, "Our work focuses exclusively on truly important stories, stories with ‘moral force.’"

Based in New York City, ProPublica is funded entirely by philanthropic organizations. The main funding comes from the Sandler Foundation, whose founders, the California philanthropists Herbert M. and Marion O. Sandler, conceived of the idea and committed to funding the organization at $10 million annually for at least three years.

Other funders include the JEHT Foundation, the John D. and Catherine MacArthur Foundation and the Peter G. Peterson Foundation.

The Sandlers hired former Wall Street Journal managing editor Paul E. Steiger as the editor-in-chief of the news site, and picked former New York Times investigative editor Stephen Engelberg to be the managing editor. As of February 2009, Steiger and Engelberg were running a newsroom of 28 reporters, editors and researchers.

ProPublica mixes original reporting with aggregation of muckraking news from around the country. Among their original features is a “Promises Clock” that keeps track of promises made by public officials and how long it takes to make good on them. One of the new promises tracked in early 2009 was President Barack Obama’s pledge to end no-bid contracts worth more than $25,000.

ProPublica’s full-time news staff includes 17 reporters, plus editors and Web technical, design and production staff. According to Dick Tofel, the general manager of ProPublica, it hires freelancers occasionally, although it is rare. According to Tofel, the staff constitutes the largest investigative reporting operation in the country.

Content on ProPublica is geared toward longer investigative pieces, but it does provide shorter articles as well. The longer investigations are often featured in multiple parts.

The ProPublica-Los Angeles Times inquiry into the health care workers with criminal records appeared both on ProPublica’s website and in the Times. (One piece in the series can be found here.)

ProPublica does not release traffic data for its website, in part, according to Tofel, because of the partnership model, which means stories live a number of different places.

**Congressional Quarterly**

Congressional Quarterly, a venerable publication that has evolved into a new type of subscription-based online news, was put up for sale in early 2009.
Started in 1945, the magazine provided in-depth coverage of the goings-on in Congress through its magazine and then later a daily newsletter. It still publishes a newsletter daily when Congress is in session, but in recent years has made a major push toward a variety of products aimed at niche professional audiences. Included in this is a subscription-based online news product, http://corporate.cq.com, as well as products for mobile devices. The company sells ads on its various websites but they are a minimal factor.

Its newest online products are tailored to specific issues, such as health care or homeland security, and aimed at those working in government or as lobbyists who need in-depth and up-to-date information on specific industries. Consumers can choose among the various topics areas.

In January 2009, CQ began offering mobile versions of three of its services: CQ Today, the daily newsletter of what is happening in Congress; CQ Schedules, a popular CQ service that catalogs hearing schedules and committee votes on bills, and CQ Member, which provides profiles and photos of members of Congress. The changes are an effort to adapt existing online products for use on mobile devices.

The next month, CQ launched CQ Financial Transcripts. The service monitors statements from key officials responsible for the government’s intervention in the financial crisis. The service offers transcripts of interviews, public statements and congressional testimony, as well government reports on the process. It planned to add in April another new service, StateTrack, to following legislative developments in the 50 states.

As of early 2009, the company offered more than 35 stand-alone, subscription-based products. The cost varied widely, depending upon a number of factors, such as how many services a subscriber wanted and how many users were enrolled in an organization. An individual subscription ranged from $2,000 to $18,000 a year.

**Footnotes**

1. E-mail conversation with PEJ staff, February 13, 2009
5. PEJ email conversation with Paul Giblin of Arizona Gaurdian .com
6. PEJ email conversation with Paul Giblin of Arizona Gaurdian .com
8. Kaiserhealthnews.org
9. E-mail interview with PEJ staff, February 12, 2009


13. PEJ Interview with Greg Hamilton, Chief Marketing Officer, Congressional Quarterly Inc.
A Year In The News

2008 Trends

*By the Project for Excellence in Journalism*

In 2008, the news agenda in the mainstream media shrank sharply, the press was late in picking up on the economic collapse and the war in Iraq all but disappeared from the news.

A year earlier, two stories—the Iraq war and the early days of the presidential campaign—accounted for more than a quarter of all the news coverage studied by PEJ, crowding out many other stories. That raised the question of whether these were such important stories that they demanded that level of coverage, or whether the fragmenting media culture tended, perhaps paradoxically, to focus on a limited number of stories.

If the news agenda was narrow in 2007, it constricted considerably more in 2008. The two top events—a dramatic and precedent-setting election and a metastasizing economic crisis—filled half the total newshole studied, almost double the amount of the top two stories a year earlier, and leaving little room for much else.

To put that in perspective, in 2008 coverage of almost every topic other than politics and economics shrank. On the domestic side, that translated into diminished coverage of crime, health and medicine, disasters, and immigration as well as softer subjects such as celebrities and lifestyle. Overseas, attention to Iraq, the leading newsmaker in 2007, fell by about three-quarters. Coverage of other hot spots crucial to U.S. interests, most notably Iran and Pakistan, dropped as well—about 75% in the case of Iran and 40% with Pakistan.
A year ago in this report, the first in which we had such a comprehensive content study of the news media—some 70,000 stories—we were struck by the narrowness of the media agenda. More outlets seemed to have resulted not in coverage of more things, but more coverage of a few things. That pattern seemed to intensify in 2008. For much of the year, every story other than the election and the economic crisis was essentially a distraction.

We cannot know for certain how much of that reflected the unusual nature of news in 2008, with a historic presidential election and a profound economic crisis. But while those extraordinary events help explain the lopsided coverage, there is considerable evidence to suggest that the narrowness of the media lens is a more systemic issue, a function of the realities—including economic ones—in today's news industry.

These are some of the findings of A Year in the News, a detailed examination of the content of 48 news outlets over the 12 months. Those 70,000 stories include 2,200 hours of network and cable television, 7,350 front-page newspaper stories, 600 hours of radio, and 6,500 online stories.
Among other findings:

- The presidential election—which included coverage of the campaign itself, analysis of the results, and the transition to an Obama administration — accounted for more than one-third of all the newshole studied by PEJ in 2008. That is more than twice the coverage Iraq generated as the No. 1 story in 2007. Nowhere was the fixation on the subject most obvious than on prime-time cable news, which by year’s end had filled virtually two-thirds of the time studied with coverage and commentary on the election.

- One major casualty of the focus on the election was coverage of international events, which fell by about 40% in 2008. Attention to Iraq, the top story of 2007, plunged by more than 75%. But that was not the only international story to fall below the media’s gaze in 2008. Consider that the two-week long Beijing Olympics generated more media scrutiny than such datelines as Afghanistan, where more U.S. troops died in 2008 than in any year since the war began, Pakistan and Iran. On the domestic side, fascination with the election contributed to sharply reduced coverage of topics such as government, crime and immigration.

- The financial crisis—a complex and multilayered story—proved a difficult one for the media to track. Journalists were slow to pick up on the broader implications of what emerged as a housing markets crunch in late 2007. Even though coverage intensified somewhat in early 2008, the press again drifted away from the economic story in the days just before the big September collapse. But after Lehman Brothers failed, coverage exploded, filling about a quarter of the newshole (26%) during the last three months of the year. The roller coaster trajectory of coverage in 2008 reflected press problems in anticipating the meltdown and its proclivity to frantically “flood the zone” once the dimensions of the crisis became obvious.

- Though the presidential election and unfolding economic crisis certainly were major events, the narrowness of the year’s news agenda also strikes us as a function of the current state and characteristics of the news industry. Shrinking reporting resources, a diminishing commitment to overseas coverage, a debate-driven cable and radio talk culture that amplifies the biggest story or two, and a lack of follow-up coverage in a faster-moving media culture all appeared to conspire to help create the very top-heavy news menu in 2008. Even with the election behind us, there may not be much reason to believe that basic pattern will change in the foreseeable future.

- In another indication of how the election dominated the news agenda, 12 out of the top 20 leading newsmakers in 2008 were connected in some way to the presidential election. But not all politicians enjoyed their media scrutiny in 2008. Three of the top 20 newsmaking public officials ran afoul of the law and two of those cases—involving former New York Governor Eliot Spitzer and former Illinois Governor Rod Blagojevich— also ended up among the top crime-related stories of the year.
The degree to which the American news media seized on a campaign that generated intense public interest is almost hard to conceive. The election had already become the No. 2 media story as far back as February 2007, and was the second-biggest story for that year—making the early level of coverage unprecedented by any calculation.

But in 2008, as voters finally participated in primaries and caucuses, the campaign morphed into something altogether different. It will be instructive to monitor whether we will see a single story of that magnitude again in the foreseeable future.
The No. 3 story in 2008, the war in Iraq.

- Of the 15 biggest stories week-by-week in 2008, the campaign accounted for 14 of them. (The financial crisis was the other No. 1 story during the week the $700 billion bailout was passed in Congress.)

- In the two years that PEJ has produced the Index, only one other story that was not about the election or economy — the horrific massacre on the Virginia Tech campus in 2007 — accounted for more than 40% of a weekly newshole. Last year, the campaign accounted for more than 40% of a week’s news coverage 14 times. And in eight of those weeks, it represented at least 50% of all the news coverage examined.

- Even during the so-called summer doldrums—the period between the end of the Democratic primary fight and the nominating conventions, when Americans traditionally head out on vacation—the election was still dominant. In that period, it generated almost three times the coverage of the No. 2 story, the sputtering economy.
Election Coverage Varied by Media Sector

The election was the top story in every media platform studied, but it in some cases it was thoroughly overwhelming. In only one media platform — newspaper front pages — did the story account for less than a quarter of the coverage, at 23%. In network television news, the race for the White House constituted almost one-third of all the news coverage, and on radio, it was more than two-fifths.

But no sector came close to equaling the cable television news networks’ relentless attention to the story. In a year in which ratings for all three major cable news outlets—Fox News, CNN and MSNBC—jumped substantially, much of that can be attributed to the 59% of their airtime that was devoted to the presidential election. And that number rises further—to 65% of the newshole—in prime time.

Those statistics raise a question: to what extent was cable covering the election versus exploiting it. The answer is probably subjective, but the measure might be how much of the time was used to offer new information as opposed to rehashing the same material because it was good for ratings.
With such a one-note news agenda, it follows that cable news channels devoted less coverage to the economy and the
war in Iraq than any of the other four major media platforms. 1

The economy finally emerges as a major story

In 2008, as the U.S. economy collapsed and raised fears of a depression, it proved to be a difficult story for the press to
get a handle on, a complex saga that unfolded in fits and starts and was often difficult to detect and measure in real
time. That dynamic changed in the last quarter of the year, when Wall Street firms collapsed, banks failed,
unemployment ballooned and officials in Washington tried to stop the bleeding with a massive financial transfusion. At
that point, the dimensions of the crisis had become clear in the media narrative. (See PEJ Study on Economic coverage
in the news)

For all of last year, the financial story, which included everything from energy costs and the troubled auto industry to the
Wall Street bailout, accounted for 15% of the over all newshole. To provide some context, that is almost as much
coverage as the Iraq war generated in 2007 (16%) and is about six times more coverage than the economy generated
in 2007.

But much of that came in the last three months of the year. Although serious problems in the U.S. economy, particularly
in the housing market, began to emerge in the second half of 2007, the news media were sporadic in their attention and
late to connect the dots. After an initial spike in coverage in August 2007, for instance (to 5% of the newshole up from
1% in July), when the housing crisis became evident, coverage dropped again by about half over the next few months.
Even in November and December 2007, when rising energy costs became a significant issue, coverage remained no
more than 5% of the over all newshole.
Then, in 2008, coverage bumped up and down, and it can be broken into several distinct phases that varied in both subject matter and intensity. In the first quarter of the year, the economic news grew on fears of recession, filling 9% of the newshole and emerging as the second-biggest story behind the election. 2

It remained at that level (8%) in through June, but the focus shifted again, from recession fears toward an easier subject with plenty of media-friendly visuals. In the second quarter rising energy prices and "pain at the pump" accounted for nearly half—47%—of all economic news. The looming banking crisis, fueled by the collapsing housing market, was far less visible. In August, the month before the crisis emerged fully blown, only 5% of the newshole focused on the economy, down from 11% in June.

Then on Sept. 15, the prestigious investment firm Lehman Brothers declared bankruptcy and within days, members of Congress and the Bush administration were frantically trying to cobble together what became a $700 billion bailout package. Suddenly, fears of a recession gave way to talk of the most significant financial meltdown since the Great Depression.
For the next four weeks, from September 15 to October 12, the full-blown economic crisis dominated the news, filling more than 40% of all the coverage examined by PEJ, more than the campaign now nearing the finish line (35%).

Then from mid-October until the end of the year, the economy story fell back somewhat, accounting for almost one-quarter of the overall news studied.

In all this, one longstanding pattern in the coverage continued even late in the year. The focus frequently shifted among different aspects of the crisis. In late September and early October, the politics of the Washington bailout bill was the dominant narrative. For the next few weeks, the wild fluctuations and decline of the stock market generated more attention than any other aspect. Then in mid-November, coverage coalesced around the fate of the troubled American auto industry. And by December, some of the focus moved from Wall Street to Main Street as storylines such as unemployment numbers became more prominent.

**Were the media a day late and a couple of trillion dollars short?**

There is no doubt that the job of covering the trajectory of the economic collapse in 2008 presented some great challenges for journalists. Certainly, many economists and government officials—people better equipped to understand the financial system than the vast majority of journalists—were caught off guard by the magnitude of the crisis and did not ring the warning bells that might have triggered quicker media attention. Logistically, coverage of the financial sector is complicated by the fact that earnings reports and government data lag behind real-time events. That often leaves press accounts out of sync with what is happening on the ground.

But even with those factors taken into consideration, coverage of the run-up to the September meltdown will not go down as one of the media’s finer moments. (The previous most recent challenge to the media might be journalism’s failure to scrutinize carefully enough the claims that Saddam Hussein had stockpiled weapons of mass destruction in the run-up to the Iraq war.) By and large, the press as an institution failed to function as an early warning system for what is now being called the biggest economic disaster since the Great Depression.

That can be attributed, in part at least, to the media’s overarching preoccupation with the presidential election. Yet other factors strike us as also being in play. Journalists may have failed to have their ears close enough to the ground, relying instead on official pronouncements about the state of the economy rather than on the economic realities facing the storeowner, the homeowner and the breadwinner. And cutbacks in newsrooms may accentuate all this by reducing the number of specialists who are expert in financial reporting.

Public interest in the economic story—as tracked by a series of surveys by the Pew Research Center for the People & the Press—consistently outstripped media attention the story in late 2007 and in the early part of last year. For months, the average citizen seemed more attuned to the rumblings underneath the financial landscape than the journalists.

Hindsight is 20/20, but economic journalists themselves seem to be aware of their shortcomings last year. According to a January 2009 survey conducted by the media consulting firm of Abrams Research, a solid majority of financial journalists who were polled (68%) were critical of the media’s performance on the economy, feeling that the press failed to recognize the magnitude of the story in the run-up to the crisis.
“Lots of people saw the various pieces of the crisis just fine; it was predicting the way that events unfolded that made everyone, including journalists, look foolish,” one business reporter lamented. 5  

The Iraq war virtually disappears  

In a year in which the election and the economy consumed half the overall newshole, which stories lost out in the competition for press attention?  

The most glaring example is the Iraq war. In 2008, the Iraq conflict generated about a quarter of the coverage it received the previous year—falling to 4% of the newshole from 16% in 2007. In only one media sector, newspapers, which devoted 6% of their front-page coverage to the conflict, did the Iraq war constitute more than 5% of the overall news coverage studied in 2008.  

Several components of the overall Iraq story saw huge decreases in coverage—a reflection, to some extent, of changing conditions both inside Iraq and domestically. With sectarian violence and U.S. casualties down significantly (U.S. military deaths in Iraq dropped to 314 in 2008 from 904 in 2007), coverage of events on the ground in Iraq dropped by two-thirds (to 2% from 6%).  

Even larger was the drop-off in press attention to the Washington-based debate over war policy and strategy—to 1% from 8% the previous year. Some of that decrease can be attributed to the fact that the war, both as a subject in the presidential campaign and as a point of conflict between the Congress and White House, diminished significantly as an issue.
In 2007, the battle for control over war funding and withdrawal timetables between President George Bush and the new Democratic-controlled Congress raged for months. In 2008, it was clear that the White House would control Iraq policy until the end of Bush’s term. The war—once expected to be the burning issue in the presidential campaign—receded sharply as the economy supplanted it in polls about public concerns. Indeed, the candidates’ debate over Iraq policy accounted for only 1% of all coverage of the presidential campaign compared with 3% for the economy.

Even these numbers are somewhat misleading because the numbers were much lower for much of the year. A single event, General David Petraeus’ trip to Capitol Hill in April to testify on the war, accounted for 19% of all the Iraq policy coverage in 2008. That eagerly awaited appearance before a largely skeptical Congress was certainly newsworthy. But the amount of coverage it generated—combined with the significant drop in coverage of the situation inside Iraq—is an illustration of how much easier it is for the media to jump on a Washington-based wartime topic than to convey the facts and factions on the ground in a conflict thousands of miles away. By year’s end, the three television broadcast networks with news programs had closed their expensive bureaus in Baghdad.

There are a number of reasons—both related to the war itself and the realities of the news business—that help explain the reduction in coverage in 2008. But do they justify the sharp drop in attention to a war zone that is still the subject of
angry domestic divisions within the U.S. and where 150,000 U.S. troops were still in harm’s way at the end of the year? 

Just as the pack journalism impulse sometimes serves to over-inflate coverage of certain events, there seemed to be an almost collective media retreat from Iraq in 2008. The most important question raised by that is whether the press understated the newsworthiness of the story.

While the death toll may have dropped, there was still plenty of important news from Iraq in 2008—everything from a dramatic visit to Baghdad by Iranian President Mahmoud Ahmadinejad to the passage of a security agreement that sets a deadline for U.S. troop withdrawal. There were also continued outbreaks of major violence—Turkish troops crossing the Iraq border to battle Kurds in February, a March showdown between Iraqi forces and Shiite militias, and a May bombing that killed dozens at an Iraqi wedding—that made it clear the fighting is far from over and that the country is far from stable.

That’s why many observers were shocked at the drop in coverage in 2008. “Staggering,” said the American Journalism Review in a story simply headlined “Whatever Happened to Iraq?” The article said, “For long stretches over the past 12 months, Iraq virtually disappeared from the front pages of the nation’s newspapers and from the nightly network newscasts.”

The drop in coverage may also have had an impact on people’s knowledge of the war. As an example, in March 2008, the Pew Research Center for the People & the Press found that only about a quarter of Americans knew approximately how many troops had died in the conflict. Six months earlier, more than half the respondents had gotten the casualty count right. 6

Other International News Drops Even More

Iraq was not the only important global story to be crowded out of the American news in 2008.

Coverage of international affairs generally, whether it involved the U.S. or not, fell by more than 40%, to 17% of the newshole studied in 2008, compared with 29% in 2007.

Combined coverage of Pakistan and Iran—two countries that present major strategic challenges to the U.S.—fell by almost two-thirds (dropping to 2% of the newshole studied in 2008).

Coverage of the other war in which U.S. troops were fighting—Afghanistan—remained at the same low level (1%) in 2008 as 2007, but it had already almost disappeared. That despite a 2008 American death toll that was the highest in the six-year history of that conflict and continuing signs that the fighting may escalate.

Olympics: The Second Biggest Foreign Story, and One Athlete Dominated

One of the few major international newsmakers last year was a two-week-long sporting event. Coverage of the Beijing Olympic Games, the fifth-biggest story of the year, exceeded that of Afghanistan, Pakistan, Iran and China. 7

The Games were covered most heavily by network news broadcasts, thanks mostly to NBC, the U.S. broadcast rights holder. For the month of August, while the Olympics were filling 9% of the over all media newshole, NBC news was
devoting 31% of its airtime to covering the Games and its related MSNBC.com website allotted 21% of its newshole to that subject. (The MSNBC cable channel, perhaps pre-occupied with the campaign, devoted only 1% of its August coverage to the Games).

The Olympics got virtually as much attention as the Georgia-Russia war in August, even though that event generated the most single-week coverage (26%) of any story not related to politics or the economy. While much of the Olympic coverage focused on the exploits of eight-time gold medal swimmer Michael Phelps, the U.S. media largely ignored some of the more substantive international angles.

Looking at coverage for August, which includes the run-up and postscript to the Games, American hero Phelps was the overwhelming focus of coverage, as a lead newsmaker in 14% of all Olympic stories. (The host country itself, China, was the focus of 2% of the stories.) When it came to the topics covered in news accounts, three subjects—the future of China and the Games’ impact on that, Olympic-related protests and press freedom in China—combined to account for 6% of the Olympic newshole. That’s about half the coverage devoted to the opening ceremonies alone.

What is chiefly responsible for the narrow news agenda—the news or the news industry?

The 2008 presidential election was an historic event. And given an economy widely characterized as the weakest since Great Depression, the 2008 financial meltdown may prove to be a once-in-a lifetime event. Thus it was not surprising that those two stories dominated the news. But it is important to ask to what extent the fact that two stories filled half of the news agenda reflects the news or the changing realities and shrinking resources of newsrooms.

Some evidence suggests the news—rather than the media culture—explain part of these numbers. Once the election was over, the news agenda for the remaining two months of the year became more diffuse. For example, in the weeks between November 4 and December 21, at least three and sometimes four stories each week accounted for at least 10% of the newshole. That had not happened previously since August 18.

But it is also true that some of the stories that helped fill the newshole late in the year—such as the troubled auto industry, the new Obama administration and the Rod Blagojevich scandal—were related to or offshoots of the economic crisis and the presidential election.

There are other factors that suggest the top-heavy news agenda in 2008 is a reflection of how the media now tend to function. For one thing, this shrinking news agenda did not suddenly emerge in 2008. In 2007, the basic dynamic was the same. No, the election and the Iraq war did not dominate as overwhelmingly as the election and economy did in 2008. But we now have a two-year track record, since PEJ began its News Coverage Index, of a press culture more oriented to talk shows and with depleted reporting ranks clearly focusing much of its time and energy on fewer stories.

There may also have been some basic bottom-line reasons why some media, particularly cable news, narrowed their news agenda. In a crowded media landscape, cable news attached itself to the election and enjoyed significant, if temporary, ratings success and filled a big chunk of its 24/7 newshole with inexpensive programming in the form of pundit commentary. (See Cable Audience for more info)

Another contributing factor is the retrenchment on foreign coverage. In a time of economic hardship, many news outlets
have shuttered expensive foreign bureaus, making ongoing consistent coverage of international stories much more difficult. (January saw the launch of GlobalPost, a Boston-based Web outlet dedicated to becoming a kind of clearinghouse for international news, at a time its founders say “original international reporting… has been steadily diminished in too many American newspapers and television networks.”) In the foreseeable future, there seems to be little prospect for a reversal of the trend away from global news coverage in the mainstream press.

That raises an interesting question. If another war on the scale and significance of Iraq broke out in this economic environment, would the U.S. media cover it as intensely as it did the last war, which began in 2003? That could get put to the test if the fighting and the American presence escalate significantly in Afghanistan.

Another factor that skews the news agenda is the tendency of the ideological debate-oriented venues—such as talk radio and prime-time cable news—to select and amplify one or two big stories from the news menu. What we have found in the two years of this study is that these ideological outlets often ignore news that does not lend itself to punditry and polarization. In their place, these programs tend to revisit the same themes day after day.

**The Media Attention Span**

And for the second year in a row, PEJ’s examination of the news agenda revealed the phenomenon of the one-week wonder. Even when a major story managed to break through the clutter of the election and economic coverage in 2008, the press quickly seemed to tire of it.

A sudden outbreak of hostilities between Russia and Georgia was the top story for a week in August when it filled 26% of the newshole and became the biggest story in 2008 not to involve politics or the economy. The following week, coverage of the conflict was down by more than two-thirds. The sexual indiscretions that brought down New York Governor Eliot Spitzer filled about a quarter of the newshole (23%) in mid-March. A week later, it had virtually vanished, to only 2% of the newshole. The drain on reporting resources may be one major reason for the lack of staying power on stories that require aggressive and sustained follow-up reporting.

The shrinking newsroom resources, identified in every sector of the media in 2008, would seem to encourage this narrowing. (See Key Indicators for more info) Fewer people in newsrooms, as we have noted in this study in past years, inevitably pulls news organizations to focus intensively on one or two subjects at a time, and then move on. They simply no longer have the resources in reporting power to push a wider agenda.

This evidence does not all tilt in the same direction, but over all it would seem to suggest some theories behind the very constricted coverage in 2008. The magnitude of the election and an economic collapse likely shrank the rest of the newshole more drastically than normal. But it is also clear that some of the institutional problems and tendencies of the media—shrinking resources, scaled-back ambition, a media echo chamber in cable and radio talk—played a role in the narrowness of the media landscape last year.

**Public Responses to the News: A Desire for a More Balanced News Diet**

There is little doubt that the public was riveted by the 2008 presidential campaign. In a year-end summary of news interest, the Pew Research Center for the People & the Press, concluded that “interest in election news remained at historically high levels throughout the lengthy campaign” and that “public interest in the primary campaigns… was higher than during previous primary contests.”
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<td>4</td>
<td>2008 Presidential Election</td>
<td>61</td>
<td>2008 Presidential Campaign</td>
<td>51</td>
<td>10/13-19</td>
</tr>
<tr>
<td>5</td>
<td>Major Drop in U.S. Stock Market</td>
<td>59</td>
<td>Financial Crisis</td>
<td>36</td>
<td>10/6-12</td>
</tr>
<tr>
<td>6</td>
<td>Falling Price of Gasoline</td>
<td>53</td>
<td>Gas/Oil Prices</td>
<td>1</td>
<td>10/13-19</td>
</tr>
<tr>
<td>7</td>
<td>Hurricane Ike</td>
<td>50</td>
<td>Hurricane Ike</td>
<td>14</td>
<td>9/8-14</td>
</tr>
<tr>
<td>8</td>
<td>Wall Street Financial Crisis</td>
<td>49</td>
<td>Financial Crisis</td>
<td>37</td>
<td>9/15-21</td>
</tr>
<tr>
<td>9</td>
<td>Obama Transistion</td>
<td>49</td>
<td>New Obama Administration</td>
<td>23</td>
<td>11/17-23</td>
</tr>
<tr>
<td>10</td>
<td>2008 Primary Election</td>
<td>44</td>
<td>2008 Presidential Campaign</td>
<td>40</td>
<td>2/11-17</td>
</tr>
<tr>
<td>11</td>
<td>Hurricane Gustav</td>
<td>42</td>
<td>Hurricane Gustav</td>
<td>17</td>
<td>9/1-7</td>
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<tr>
<td>12</td>
<td>Debate Over Auto Bailout</td>
<td>41</td>
<td>U.S. Auto Industry</td>
<td>15</td>
<td>11/17-23</td>
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<td>13</td>
<td>Rising Unemployment</td>
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<td>Financial Crisis</td>
<td>20</td>
<td>12/1-7</td>
</tr>
<tr>
<td>14</td>
<td>Floods in the Midwest</td>
<td>39</td>
<td>Midwest Flooding</td>
<td>16</td>
<td>6/16-22</td>
</tr>
<tr>
<td>15</td>
<td>Beijing Olympic Games</td>
<td>35</td>
<td>2008 Olympics</td>
<td>10</td>
<td>8/18-24</td>
</tr>
</tbody>
</table>
But while the media overwhelmingly chose to focus on the campaign, the public’s interest in the news events seemed more balanced. Looking at the election, the economy, and Iraq, there were differences between the interest levels of the press and the public.

One measure of this is the roster of 2008 stories that registered at high levels of attention when people were asked what new they were following “very closely” in a given week. Eight of those top 15 stories dealt with some aspect of the economy, three concerned the presidential election or transition, another three involved major storms (including two hurricanes) and one was the Beijing Olympics.

The media saw things a bit differently. In terms of the quantity of press coverage, 14 of the 15 biggest stories in 2008 were about the campaign.

The term “Iraq fatigue” entered the vernacular in the last year to describe what appeared to be diminishing public attention to the war. And while Americans did not follow that conflict as closely in 2008 as they did in 2007, there is evidence that their appetite for news about Iraq, at least at certain times, was substantially greater than that of the press.

During a week in mid-January 2008, when Secretary of State Condoleezza Rice made an unannounced trip to Baghdad to push for political reform, 31% of Americans said they were following events inside that country very closely. But that story accounted for only 1% of the newshole. In the week of April 28-May 4, when Congress held hearings to talk about returning homeless veterans, 27% of the public said they were following news about returning troops very closely. That week, the impact of the war on the homefront filled just 1% of the newshole.

Even in a year when the campaign captured the public’s imagination and interest, there is evidence that news consumers wanted more of a smorgasbord than producers offered.

**The Top Newsmakers: Politicians as celebrities (and criminals)**

One other way of gauging the dominance of elections and politics in 2008 is to look at the roster of leading newsmakers, a designation given when at least 50% of a story is clearly about that person. Last year, 12 of the 20 top newsmakers were connected in some way to the presidential election, including seven people who were candidates for that office. That roster is led by eventual winner Barack Obama, who was a lead newsmaker in 10% of all the stories examined by PEJ.
Top Lead Newsmakers

Some of the election-related newsmakers who did not actively seek the presidency in 2008 were: The outgoing incumbent George Bush (No. 4 newsmaker); GOP vice-presidential nominee Sarah Palin (No. 5) who became a media phenomenon after she was introduced to the nation in late August; Bill Clinton (No. 7), who was a feisty and controversial campaigner for his wife Hillary; Michelle Obama (No. 17); and the Rev. Jeremiah Wright Jr., Obama’s pastor, whose inflammatory sermons seemed to nearly derail the candidate’s campaign (No. 18).

Two other top newsmakers were or had been part of the Bush administration—Secretary of State Condoleezza Rice (No. 20) and former White House press secretary turned Bush basher Scott McClellan (No. 19). And three others were politicians who ran afoul of the law, indicted Illinois Governor Blagojevich (No. 6), New York Governor Spitzer (No. 12), who was done in by a sex scandal, and convicted Alaska Senator Ted Stevens (No. 14).

Crime

The Blagojevich case and the Spitzer episode both ended up among the top crime stories of the year. Even though the Blagojevich case did not break until Dec. 9, when he was arrested for allegedly trying to sell the appointment to the Senate seat that Obama was vacating, it generated such intense coverage in one month that it filled 1% of the over all newshole, was a top-10 story over all, and was the year’s biggest crime-related story. The Spitzer story was briefly big (23% of the newshole the week of March 10-16), but it did not generate as much sustained coverage as Blagojevich. Even so, the New York governor’s downfall became the No. 3 crime saga of 2008.

Over all, coverage of crime was down considerably in the media in 2008 (5% of the newshole compared to 7% in 2007), another casualty of the narrowing news agenda. And only one crime-related story, Blagojevich problems, made the year’s list of top-10 stories over all.

White-collar crime was a recurring theme, though. The collapse of Bernard Madoff’s $50 billion Ponzi scheme was the year’s fifth-biggest crime story. That’s all the more noteworthy given that, like the Blagojevich case, this was also a story that broke very late in the year, with Madoff’s arrest on Dec. 11.
The No. 2 crime story was the Warren Jeffs case, which was triggered by a raid on a Texas polygamy compound in April, a saga complete with allegations of sexual abuse of children. The mystery surrounding the fate of the missing 2-year-old Caylee Anthony, whose body was discovered in December and whose mother was charged with her murder, was the No. 4 crime story in the year.

The seventh-biggest crime story, the baseball steroids scandal, was highlighted by former pitcher Roger Clemens’ dramatic appearance before Congress where he adamantly denied, before a skeptical nation, that he had ever used performance-enhancing drugs.

Footnotes

1. There are several niche cable channels, including CNBC and Fox Business News, that do focus narrowly on business and the economy

2. Recession fears constituted the dominant theme, 44% of the economic coverage, while concerns about the housing market, still major, receded to 19%.


7. In the media overall, the Olympics accounted for roughly 1% of the newshole in 2008, and was just behind coverage of U.S. efforts to combat terrorism and ahead of the Rod Blagojevich scandal in Illinois. And it was a top-10 story in every sector except cable news.
Even in a year when their future was cast further in doubt, newspapers continued to offer coverage that distinguished them in the media ecosystem.

Over the course of 2008, newspapers provided news consumers with a wider range of coverage than was available on most other platforms—even on just their front pages.

In the media over all, for instance, fully half of the newshole in 2008 was devoted to combined coverage of just two stories—the election and an economic slowdown that became a meltdown. Those stories filled 42% of the front-page newspaper coverage, leaving more room for attention to other subjects.

In turn, print front pages devoted more attention to subjects such as immigration, health care, U.S. anti-terrorism efforts and the war in Iraq than any other sector.

And within the newspaper universe itself, there were some notable differences in the news agenda. In some important ways, the smallest papers—those with circulations under 100,000—offered a different portrait of events in 2008 than found anywhere else. Unlike their larger counterparts, the No. 1 story in the smaller dailies by a significant margin was the economic downturn rather than the election. And the main story of the war in Iraq was about how it was affecting the home front, even more than events unfolding inside Iraq. These findings suggest that the more community-oriented dailies were well positioned to report on national or even international issues by covering the local angle to a bigger story.

Top 10 Stories: Newspaper vs. Media Over All
Percent of Newshole

<table>
<thead>
<tr>
<th>Subject</th>
<th>Newspaper</th>
<th>Media over all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election*</td>
<td>23%</td>
<td>36%</td>
</tr>
<tr>
<td>U.S. Economy †</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td>Iraq War ‡</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Domestic Terrorism</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Immigration</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Olympics</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Blagojevich Scandal</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Health Care</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.
The Most Coverage of the Economy

In 2008, the newspaper sector devoted 19% of its front-page space to coverage of the deepening financial crisis. That was more than any other media sector and about one-third more than in the media over all (15%). This is part of a trend that began in 2007, when evidence of the economic crisis began to manifest itself and newspapers were quickest to jump on the story, with particular attention to the problems in the faltering housing market.

In 2008, as the narrative of the unfolding economic story shifted several times, newspapers continued to pay the most attention to the story. In every month in 2008, newspaper front pages devoted more coverage to the economy than cable news, network, radio or the online sector. The one exception was a stretch from May through July 2008, when network news focused on rising gas prices and pain at the pump—a story that in the end missed the coming banking and financial collapse.

Economy Coverage Over Time: Newspaper vs. Over All

2007 through 2008

Design Your Own Chart
Source: PEJ, A Year in the News, 2008
Not only did newspapers cover the economic meltdown more heavily on their front pages than other media did over all, but they also covered it differently. In print, the story of the economy was much more closely tied to housing and mortgages that it was in the media generally. And politics of the bailout plan, very much a Washington-centric narrative, was not a dominant story. 2

In print, about 18% of the economic coverage was tied to the housing crisis and troubles afflicting federal mortgage funders Fannie Mae and Freddie Mac, compared with about 13% generally. Roughly another 11% of the economic story in newspapers was about the discussion of a recession—about 20% higher than the proportion in the media over all.

In turn, newspapers devoted about 40% less coverage to the politics surrounding the federal bailout plan as the media in general. The ups and downs in the stock market accounted for only 2% of the newspapers’ economic coverage compared with 4% in the media over all. And newspapers offered about 20% less coverage of the troubled U.S. auto industry—and efforts to bail it out—than the media in general.

Given a deepening and multifaceted economic crisis that proved difficult for the media to track in real time, newspapers amassed a track record for this, the most extensive coverage of the second-biggest story of 2008. There may be several reasons for this. With the exception of a handful of national papers, they tend to be local institutions first and foremost. And as we found especially to be the case of the smaller dailies, that gave them an opportunity to use their own communities as a way of telling the bigger story. At the same time, many newspapers have traditionally maintained a separate business section as well as the roster of experienced business writers and reporters to deploy on a story like this.

**Newspapers and the Presidential Election—Less Coverage, More Tone**

When it came to the election, three things stood out in the coverage of American newspapers. The election dominated agenda in the print less than elsewhere. The coverage focused somewhat less explicitly on the horse race and more on personal biography. And while it may not have been so much about the polls, it nonetheless appeared to reflect their influence, for the coverage, often interpretative, was even tougher on McCain and more favorable to Obama than in the media generally.

Over all, even though the 2008 election ranked as the No. 1 story on newspaper front pages, less than a quarter of the coverage that began on the front pages (23%) was devoted to the election of 2008, compared with 36% in the media generally.

And in a year in which horse race coverage of tactics, strategy and polling accounted for a majority of the coverage overall (57%) from January 6 to November 3, newspapers produced modestly less of this (54%). But that slack was not taken up by coverage of where the candidates wanted to take the country in policy terms. Newspapers devoted a lower percentage of their campaign coverage to policy (11%) than any other media sector. What newspapers did to leverage their advantages in reporting time and resources, instead, was to produce the most front-page coverage of personal issues.
That coverage took the form of a number of lengthy profiles later in the race. From mid-September through Election Day, larger papers offered no less than a dozen such front-page profiles. Ranging in length from about 1,800 words to over 5,000 words, four were on the Democratic ticket—one on Joseph Biden and three on Barack Obama. Eight were on the GOP candidates—three on Sarah Palin and five on John McCain. A number of the pieces on McCain focused on his time in Vietnam, where he was a prisoner of war.

There seemed to be some general patterns to these profiles. The Palin pieces, which examined her record as an elected official in Alaska, often talked about her as a polarizing figure. The Obama pieces emphasized evolution or transformation. And the McCain stories were framed by his wartime experiences in Vietnam.

On September 14, the Washington Post ran a 2,299-word story on Palin with the headline “As Mayor of Wasilla, Palin Cut Own Duties, Left Trail of Bad Blood.” On the same day, the New York Times ran a 3,221-word story headlined “Once Elected, Palin Hired Friends and Lashed Foes.”
Also on September 14, the San Francisco Chronicle profiled Barack Obama in a 3,236-word article entitled “Transformations: A lifetime of evolving and adapting his identity has helped propel Barack Obama near the pinnacle of U.S. politics.” A subsequent Washington Post 3,989-word profile of Obama appeared on October 9 with the headline “From Outsider to Politician.”

In October, within the space of about a week, three lengthy pieces on John McCain were published, two of them in the Washington Post: “In Ordeal as Captive, Character Was Shaped” and “Seeing White House From a Cell in Hanoi.” The New York Times carried a 2,667-word piece entitled “Writing Memoir, McCain Found a Narrative for Life.”

Newspapers also stood out, at least during the homestretch of the general election phase (from September 8 to November 2) by being even more critical about McCain’s campaign, and more favorable about Obama’s, than the media over all. Fully half of the Obama newspaper stories were positive during this period, compared with 38% in the media generally, while 23% were negative (compared with 27% over all). That represents the highest percentage of positive Obama stories of any of the five media sectors studied.

Conversely, the tone of newspaper coverage of McCain was tougher than the already negative portrayal in the media over all. In newspapers, only 5% of McCain’s stories were positive (compared with 14% in the media over all) and 65% were negative (compared with 57% in the media over all.) That represented the lowest percentage of positive McCain stories of any media sector examined.

What would explain front-page newspaper coverage that magnified the overall media narrative about the two candidates? Perhaps format and deadlines played a role. Because newspapers are reporting on what happened yesterday and have the luxury of more space and time than the instantaneous media, their coverage of the candidates tended to be more analytical. While cable news may stage debates, often those are people disagreeing. Newspapers are more prone to come to some bottom-line conclusion. That may well have translated into more coverage focused on explaining and analyzing the prevalent strategic dynamic, which was a story of Obama running a more effective campaign than McCain.

Tone of Coverage: Obama vs. McCain

<table>
<thead>
<tr>
<th>Percent of Campaign Stories, September 8-November 2, 2008</th>
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<tbody>
<tr>
<td>Newspaper</td>
</tr>
<tr>
<td>Obama</td>
</tr>
<tr>
<td>Positive</td>
</tr>
<tr>
<td>Negative</td>
</tr>
<tr>
<td>Neutral</td>
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that does not mean that newspapers maintained their 2007 level of coverage for some of these stories, but rather that they decreased their attention to a lesser degree than other media platforms.

Given the range of news, the numbers often are small, but they add up across topics to a substantially more breadth. Among the items that got more coverage in print than elsewhere: the Iraq war, immigration, health care and U.S. efforts to combat terrorism.

Even as coverage of the war in Iraq plunged by about two-thirds in newspapers from 2007 to 2008, for instance, the front pages still devoted substantially more coverage to Iraq than the media over all (6% vs. 4% of newshole). While the impact of the war on the U.S. home front was largely absent in the rest of the media, it remained a sizable story in print, thanks largely to the more extensive coverage in the smaller community-oriented dailies.

Immigration, another big story from 2007 that diminished in 2008, remained about twice as big in print as in the media over all. Beyond the usual coverage of immigration policy and legislation, immigration raids and other enforcement-related issues, newspapers also spent time looking at the immigrant communities.

**Newspaper Top Broad Topics vs. Media Over All**

![Chart showing percentage of newshole for different topics in 2008.](Design Your Own Chart)

Source: PEJ, A Year in the News, 2008
Even as coverage of the war in Iraq plunged by about two-thirds in newspapers from 2007 to 2008, for instance, the front pages still devoted substantially more coverage to Iraq than the media overall (6% vs. 4% of newshole). While the impact of the war on the U.S. home front was largely absent in the rest of the media, it remained a sizable story in print, thanks largely to the more extensive coverage in the smaller community-oriented dailies.

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A 2,000-word article in the Los Angeles Times chronicled the path of a 60-year old Hispanic woman hoping that working for Mary Kay cosmetics would help to propel her into the middle class. The Wall Street Journal described how an influx of refugees from Myanmar, the former Burma, had helped the Swift meatpacking plant in Cactus, Texas, get up and running again after a federal raid in 2006 arrested 297 illegal aliens working there. And the Colorado Springs Gazette looked at how tougher immigration laws and the deepening financial crisis in the U.S. have resulted in a reverse migration back to Mexico for many immigrants.

Another subject that newspapers paid more attention to attracted little notice elsewhere in the media. Overall, health care accounted for 1% of the newspaper newshole—more than double the coverage in the media overall—and registered as a top-10 newspaper story, just behind coverage of the Olympics and ahead of coverage of Pakistan.

And driven by coverage in the larger dailies with the most resources, newspapers also offered the most coverage of issues related to U.S. efforts to combat terrorism—almost 50% more attention than the media in general. One key component of that coverage was the controversial prison at Guantánamo Bay, Cuba.

Smaller Papers and Big Stories

The Financial Downturn Hits Home

An examination of newspaper coverage of several major stories reveals a significant distinction based on the size of the publication. In several cases, the smallest papers—those with a circulation less than 100,000—devoted the most coverage to a major story, the economy, in large part by mining the local community.

The biggest papers (650,000 circulation and up) and major metros (100,000 to 650,000) devoted a nearly identical percentage of their front-page newshole (18% and 19%, respectively) to the economic crisis in 2008, their second-biggest story for the year.

But in mid-sized and small newspapers (under 100,000), the economy was the biggest story of 2008, ahead of the election. For the year, fully a quarter of the coverage that began on the front page (26%) was about the economy and much of it dealt in real terms with the impact of the nation's financial crisis on the day-to-day struggles of families and local businesses.
As the year began, much of this echoed the discussion in the national media of recession fears, falling home sales and rising foreclosures. In hometown papers it was illustrated by local examples. In the second quarter, the stories became even more specific—a local golf course up for sale, more people shopping at thrift stores, local layoffs and residents using bicycles to avoid paying high gas prices. In the third quarter, coverage was sparer, and tracked the national bank failures. The only unusual local angle was coverage of rising home foreclosures. But in the final months of the year, as the national media focused on the financial industry bailout in Washington, the coverage on local front pages showed a sharp increase in more finely grained stories about how local people, communities and states were attempting to cope. The crisis was hitting Main Street, not just Wall Street.

The Colorado Springs Gazette, for example, carried articles about what local residents were doing to get by in hard times and how utility bills were expected to rise by 23%. The MetroWest Daily News outside Boston wrote about homes—vacant because of foreclosures—that were flooded by burst pipes. The New Hampshire Union Leader reported on local layoffs. And the Modesto Bee in California produced stories on divorced couples who were forced to remain in the same house.

As these papers proved, it can be easier to track and illustrate an economic downturn of massive dimensions by chronicling the fallout closest to home.
The impact of the Iraq war was also different in smaller newspapers than in the national media. While the home front was a small story nationally even in print (1% of the coverage in the biggest papers, 2% in big metros), the effect of the war at home was the major component of the Iraq story in the country’s smaller-circulation papers (fully 5% of all coverage).

These were stories that included homecomings, funerals, celebrations and remembrances (about a third of the coverage), about the impact of the war on families and communities (another third) and on conditions for wounded veterans—recovery from injuries, the Wounded Warrior program, as well as those struggling with mental health issues, homelessness, financial problems or substance abuse issues (about one out of six stories).

The Chattanooga Times Free Press recounted the emotions of the friends and family of a young Marine killed in Anbar Province as they waited for his body to arrive home. The Bakersfield Californian recalled the life and death of a local 21-year-old killed when a roadside bomb exploded near his Humvee in 2006. In September and October, the New Hampshire Union Leader carried a five-part series on a member of the local National Guard critically wounded in Iraq, and his fight to recover.

In many ways, smaller papers with a more intimate sense of their community were best positioned to examine the many different human costs of the war. The Colorado Springs Gazette, for example, reported on a Fort Carson soldier working as a teacher’s aide with kindergarten and first-grade students who found the job helping him with cognitive problems caused by an explosion. “I had trouble keeping up with adult conversations,” he told the paper, “but I could keep up with the kids.”

Local Olympic Heroes

One other story was clearly bigger in the small newspapers in 2008: the Olympics, where the coverage was about double what it was in larger papers.

More than half the stories highlighted hometown links to the Games—local athletes either competing in qualifying events or actually heading to Beijing, a local reporter going to China to cover the games, a local chiropractor selected to join the health care team, as well as reactions of local residents to media coverage or to stories of inspiring athletes.

The MetroWest Daily News in Massachusetts profiled Natick sports chiropractor Scott Gillman, selected by the World Olympians Association to join the health care team in Beijing, as well as staff reporter Chris Bergeron, who—having previously lived and worked in China for seven years—was returning to a vastly transformed country.

The Colorado Springs stories, focusing on individual athletes, were, for the most part, more poignant. There was the story of Mike Farrell, a Colorado Springs resident who suffered nerve damage after being bitten by the family dog when he was only three days old, competing in the U.S. Paralympics cycling trials. (The Paralympics were held in Beijing a few weeks after the Olympic Games) And the tale of another local resident, Roger Stewart, the first known deaf wrestler to qualify for the U.S. Olympic trials. Colorado Springs is the headquarters of the U.S. Olympic Committee.
Online

Online Content

*By the Project for Excellence in Journalism*

If the news agenda of legacy media is shrinking, the evidence suggests a broader and certainly more international flavor online.

In 2008, a year dominated by the presidential election and the economic meltdown, and when coverage of the Iraq war plummeted, the leading news websites provided the most coverage of events outside the U.S. borders. And some domestic issues beyond the economy and the election were also more prevalent online.

The presidential election and the economy certainly dominated. But they did so to a lesser degree online than in the media over all. And as a result, much as we found a year earlier, the five leading news websites also offered more coverage of foreign news among their top stories and other matters as well.

Online, time of day also matters. Users who went to a site early in the day were more likely to see foreign news coverage than those who went to the same site late in the day.

The focus of each site's leading news coverage varied. The Web aggregator sites differed significantly from each other, and varied even more from those tied to legacy news operations. Yahoo News, for instance, was much more focused on the three major storylines of the year. Google News, by contrast, offered the largest amount of foreign news coverage.

But they also shared certain characteristics that distinguished them from other media, too.

These are all among the findings of a yearlong examination of the five most popular news sites, some 6,539 stories, over 262 days. The sites examined were AOL News, CNN.com, Google News, MSNBC.com and Yahoo News.

Online as a Source for International News

The top online news sites got somewhat less international in 2008 than they were the year before.

In 2008, 18% of the news coverage on leading online news sites was about non-U.S. international stories, down from the 25% in 2007.

And another 9% was about U.S. foreign affairs, down from 22% in 2007.
But this was still significantly higher than any other media sector in 2008. In the media generally, 10% of news coverage was about international affairs not involving the U.S. and another 6% was about U.S. foreign affairs.

Over all, seven of the top-10 stories of the year on the websites studied were international events. In the overall media five were.

One of the major reasons for the decrease in U.S.-related international coverage online was a decrease in attention paid to Iraq. In 2007, Iraq made up 17% of the online news coverage and was by far the biggest story of the year. In 2008, Iraq made up only 4% of online news coverage.
Online, Iraq was replaced as a major story by events in a host of other hotspots. Pakistan, for instance, was the fourth-biggest story of the year on the news websites studied. Other than online, only the newspaper category had Pakistan in its top-10 stories of the year (at No. 8).

Other foreign stories that received more attention online than anywhere else included the Georgia/Russia conflict, the Israeli/Palestinian conflict, the internal unrest following elections in Zimbabwe and the major earthquake that hit China. (In 2007, Pakistan and the Israeli/Palestinian conflict also received more coverage online than in any other sectors.)

**Election as Top Story**

As elsewhere, online the No. 1 story was the presidential election. But here it filled only a quarter (25%) of the newshole on the news sites rather than the 36% in the media generally. Only newspaper front pages (23%) were lower.

News websites generally feature one or two stories most prominently on their home pages at a given time, and the election was the biggest focus in those stories through the year as well. Almost a third (29%) of lead stories on the news home pages were about the election. One example occurred on April 30, when Yahoo News led with a picture of Barack
Obama giving a speech condemning inflammatory comments made by his former pastor. The story had the headline, “Obama Tries to Dig Out: His candidacy is reeling from Jeremiah Wright’s comments. Now Obama is dropping nuance and showing some fire.” The headline then linked to an analysis by Time magazine reporter Karen Tumulty that Obama had been facing a series of setbacks including the controversy over Wright.

Frame of Campaign Coverage
Percent of Campaign Newshole
January 6-November 3, 2008

<table>
<thead>
<tr>
<th></th>
<th>Online</th>
<th>Media Over all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Horse Race</td>
<td>63%</td>
<td>57%</td>
</tr>
<tr>
<td>Other Political</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Policy</td>
<td>12</td>
<td>13</td>
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<tr>
<td>Personal</td>
<td>5</td>
<td>7</td>
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<tr>
<td>Public Record</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: PEJ, A Year in the News, 2008

With online’s tendency toward breaking news, its focus of the presidential campaign coverage was even slightly more horse-race-focused than the media over all. From early January until Election Day, 63% of online campaign coverage was on the political horse race, which was more than the 57% in the media over all. (Meanwhile, 12% of the online coverage about the campaign was about the policy elements of the campaign, which was almost the same as the media over all, 13%.)

In part because of their greater tendency to focus on horse race, the leading news websites also tended to offer more coverage favorable to the candidate ahead in the polls than the press generally. During the last eight weeks of the campaign (September 8-November 2), 47% of the stories focused on Obama were positive (up from 38% in the press over all), 30% were neutral (vs. 34%), and 22% were negative (compared with 27%).

In contrast, Republican nominee John McCain received more negative coverage online than in the media generally. Almost two-thirds (64%) of campaign stories on the top websites focused on McCain were negative, which was more than the 57% of campaign stories in the media over all. Only 8% of online campaign stories about McCain were positive compared with 14% over all.
Domestic Subjects

Just under three-quarters of the top story coverage online was about domestic affairs (73%). While that was up substantially from the year before (53%), it was still low by the standards of the year (in the press over all it was 83%).

The primary reason that online still offered less domestic news than the media in general is that the top news websites had less coverage of the election and economy. Together, 39% of the online coverage was devoted to those stories compared to 51% of the media over all. The only sector that was close to online was newspapers (42% devoted to those two subjects).

The answer is in part tied to one of the strengths of online news — the ability for the sites to update stories frequently throughout the day and report breaking information almost instantly.

Top Broad Story Topics: Online vs. Media Over All
Percent of Newshole

<table>
<thead>
<tr>
<th>Online</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elections/Politics 22%</td>
<td>Elections/Politics 34%</td>
</tr>
<tr>
<td>Foreign (Non-U.S.) 18</td>
<td>Foreign (Non-U.S.) 11</td>
</tr>
<tr>
<td>Economics 12</td>
<td>Economics 10</td>
</tr>
<tr>
<td>U.S. Foreign Affairs 9</td>
<td>U.S. Foreign Affairs 6</td>
</tr>
<tr>
<td>Crime 6</td>
<td>Crime 5</td>
</tr>
<tr>
<td>Disasters/Accidents 6</td>
<td>Disasters/Accidents 4</td>
</tr>
<tr>
<td>Government 4</td>
<td>Government 4</td>
</tr>
<tr>
<td>Business 4</td>
<td>Business 4</td>
</tr>
<tr>
<td>Health/Medicine 2</td>
<td>Health/Medicine 3</td>
</tr>
<tr>
<td>U.S. Miscellaneous 2</td>
<td>U.S. Miscellaneous 2</td>
</tr>
</tbody>
</table>

Source: PEJ, A Year in the News, 2008

While elections/politics (at 22% of the newshole) was the largest single topic covered online, that number was smaller for websites than for any other media sector except for newspapers (also at 22%).

Economic coverage was the second-largest topic area covered by online news sites at 12%, while business news was an additional 4%. Many of these stories would focus on breaking economic news that would hit the homepages soon after being announced. At approximately 4 p.m. Eastern Time on September 16, for example, the homepage on AOL News led with a breaking story that the Federal Reserve had decided to not cut interest rates despite the previous day’s big drop in the stock market.
But on a litany of other domestic topics, the Internet news sites studied actually offered among the highest amounts of coverage. And a good deal of this may have something to do with the orientation of Web news sites to events that are fast breaking.

Crime reporting, at 6%, for instance, was higher than all of the other media sectors studied except for cable television, also at 6%.

Also at 6%, disasters and accidents were reported online more than any sector except for network television (at 7%). These types of breaking stories, such as the tornadoes that struck on February 5 (Super Tuesday for the presidential primary campaign) were often among the lead stories that websites promoted as breaking news.

**Morning vs. Evening Coverage**

Web sites are unique among news products in that they can be updated and viewed at any time. A person who visits a Web site in the morning may find very different lead stories from one who visits the same site in the evening. What differences might one find?

Beginning April 28, 2008, and going through the end of the year, PEJ rotated the times that we captured websites each weekday. On one day the websites were captured between 9 and 10 a.m. Eastern Time, and on the next day they were captured between 4 and 5 p.m. Eastern Time.

Having this rotation allows us to discover how different the news agenda might be for users who visit the sites at the beginning and end of a typical workday on the East Coast. The differences, while relatively minor, do suggest that certain late-breaking stories become more prominent later in the day, while foreign coverage is more present early in the day, with much of the world hours ahead of the U.S. news cycle.
The biggest difference between morning and early evening is that there is significantly more international news early in the day. A fifth (20%) of the top news coverage online in the morning on the East Coast is non-U.S. international stories compared to 15% later in the day. This may be due in large part to the differences in time zones since many overseas visitors to those sites are more likely to view the sites during early morning in the United States.

**Differences Between Sites**

The mix of online outlets studied is more diverse in structure and news process than any other genre studied. The online sample for PEJ’s leading news sites consists of two types of sites: aggregators (Google News, Yahoo News and AOL News) and sites that are tied to other news organizations (MSNBC.com and CNN.com). (Starting in 2009, given a growing shift in audience to online news, the PEJ sample will include 12 websites rather than these 5). PEJ discovered that in 2007, despite the similarities in the way a site chooses its leading news stories, the subject matter between similar types of sites can differ significantly. This same pattern also held true in 2008.

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### Differences in Broad Story Topics by Morning and Evening Online

**April 28, 2008 – Dec. 31, 2008**

<table>
<thead>
<tr>
<th>Percent of News, %</th>
<th>Mornings (9-10 a.m. ET)</th>
<th>Evenings (4-5 p.m. ET)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elections/Politics</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>Foreign (Non-U.S.)</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Economics</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>U.S. Foreign Affairs</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Crime</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Disasters/Accidents</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Government</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Business</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Health/Medicine</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>U.S. Miscellaneous</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: PEJ, A Year in the News, 2008
PEJ's content analysis includes the three most popular aggregation sites—Yahoo News, AOL News and Google News. Of the three, Yahoo News, which uses human editors to select its stories, was much more focused on a few major stories throughout the year. AOL News, which also uses people to make the story selections, was the most focused on a wide range of domestic news. Google News, which employs computer algorithms to decide which stories are most prevalent, was the most international.

At Yahoo News, over half of the top story coverage (51%) was about the three major storylines of the year—the presidential election, the economy and Iraq, compared with 37% for Google News and 32% for AOL News.

At AOL News, domestic news filled 79% of the space among the top stories during the year (compared with 66% at Yahoo News and 61% at Google News). But the election was filled the least of this top newshole, just 20%, less than both Google News (26%) and Yahoo News (24%).

At Google News, the rest of the world was a bigger story (non-U.S. coverage filled 28% of the newshole studied). Eight of the top 10 stories of the year for Google News were international events.
Design Your Own Chart
Source: PEJ, A Year in the News, 2008

Who Produces the News on Aggregator Sites

Because AOL, Yahoo, and Google produce little to no original content on their news sites, they all rely heavily on wire stories such as those from the Associated Press or Reuters.

For Yahoo, 86% of its coverage was from wire services, compared to 90% for AOL. Google linked to many wire stories, but 79% of its leading news coverage was from news organizations other than wire services compared to 21% that was from wires. These other news sources encompassed a wide range of outlets from the New York Times to CNN to international-focused sites like the BBC and the Voice of America.

<table>
<thead>
<tr>
<th>Story Format of Online Aggregators</th>
<th>Percent of Newshole</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AOL News</td>
</tr>
<tr>
<td>Wire</td>
<td>90%</td>
</tr>
<tr>
<td>Other news outlet</td>
<td>8</td>
</tr>
<tr>
<td>Internal Staff</td>
<td>2</td>
</tr>
<tr>
<td>Combo wire/staff</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Outside contributor/freelance</td>
<td>&lt;1</td>
</tr>
</tbody>
</table>

Source: PEJ, A Year in the News, 2008
These numbers are similar to what we found last year with one exception, at Yahoo. In 2007, almost all of Yahoo's leading news coverage (98%) came from wire stories. That number fell in 2008 to 86%. Much of this change came from more copy being featured from two sources, Politico and Time magazine, such as a March 26 Time interview with Hillary Clinton, in which she described her plan to win the Democratic nomination for president despite trailing Obama in delegates by a slight margin at the time.

Site Differences — Sites Tied to Legacy Media

Two of the sites in the yearlong study, CNN.com and MSNBC.com, were tied to the legacy media of cable news channels.

While the television channels associated with these sites differ more markedly according to our content studies, (see Cable TV Content Analysis for more) the two websites are quite similar in news judgment.

Each site gave roughly the same amount of coverage to the top three stories of the year. (CNN.com gave 28% to the presidential election, for instance, and MSNBC.com gave 26%).

<table>
<thead>
<tr>
<th>Top Stories for Online Sites Tied to Legacy Media</th>
<th>Percent of Newshole</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MSNBC.com</strong></td>
<td><strong>CNN.com</strong></td>
</tr>
<tr>
<td>Election*</td>
<td>26%</td>
</tr>
<tr>
<td>U.S. Economy †</td>
<td>16</td>
</tr>
<tr>
<td>Iraq War ‡</td>
<td>5</td>
</tr>
<tr>
<td>Olympics</td>
<td>2</td>
</tr>
<tr>
<td>Pakistan</td>
<td>2</td>
</tr>
<tr>
<td>Domestic Terrorism</td>
<td>2</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>1</td>
</tr>
<tr>
<td>Blagojevich Scandal</td>
<td>1</td>
</tr>
<tr>
<td>Myanmar Cyclone</td>
<td>1</td>
</tr>
<tr>
<td>Georgia/Russia Conflict</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: PEJ, A Year in the News, 2008
* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.
Both CNN.com and MSNBC.com also split similarly between foreign and domestic topics. CNN.com devoted 21% of its newshole to foreign topics compared with 23% for MSNBC.com.

And how did the two websites compare to their cable channel siblings on television? To begin with, neither website was as election-heavy or domestically focused as their cable channel counterparts.

Story Selection: MSNBC Online vs. MSNBC Cable

2008 Coverage of Big News Events

Design Your Own Chart
Source: PEJ, A Year in the News, 2008

Election includes stories about the campaign, results, and the transition.

U.S. Economy includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae.

Iraq War includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.
Story Selection: CNN Online vs. CNN Cable

2008 Coverage of Big News Events

- Election
- U.S. Economy
- Iraq War
- 2008 Olympics
- Blagojevich Scandal

The election was the largest story of the year for CNN.com (28%) and MSNBC.com (26%), but those paled in comparison to the level of coverage on CNN's cable channel (55%) and MSNBC's cable channel (72%).

Design Your Own Chart

Source: PEJ, A Year in the News, 2008
Election includes stories about the campaign, results, and the transition.
U.S. Economy includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae.
Iraq War includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.
On the other hand, both websites devoted significantly more time to the other top stories of the year—the economy and Iraq. MSNBC.com devoted 16% of its leading news coverage to the troubles with the U.S. economy and 5% to Iraq, while the cable television station devoted 7% to the economy and 1% to Iraq. CNN.com devoted 17% to the economy compared to 12% on the cable channel and 4% to Iraq compared to 1%.

CNN.com and MSNBC.com offered more overseas news than their cable television siblings. More than three-quarters (79%) of the leading news coverage on CNN.com was focused on domestic topics, compared to 91% on CNN’s cable channel. On MSNBC.com, that number was 77%, but still less than the 96% of domestic coverage on MSNBC’s cable channel.

Beyond that, CNN.com and CNN both emphasize breaking news. On the CNN.com homepage, the latest headlines are featured prominently on the page with one story usually getting the clear top billing because of a large picture and sizable headline. Most of these headlines come from CNN’s own reporting. The homepage features a list, updated every 20 minutes, of the most popular articles on the site. CNN.com also offers ample opportunities for users to watch streaming video clips that accompany the news stories of the moment. Below the top lists of breaking stories, CNN.com has sections for two headlines for various groups of news (such as “World,” “Entertainment” and “Science”). The site also has links to blogs and podcasts produced by some of CNN’s television personalities, but those are not as prominently placed.

Another area that CNN experimented with a great deal in 2008 was its iReport section. While this section was not included in PEJ’s study of the main news stories on the site, iReport is a way that users could upload their own videos and share their stories and first-hand experiences with other users.

MSNBC.com, on the other hand, has built its own identity, while also trying to be the home for both NBC and MSNBC on television. The site offers a combination of breaking news along with longer pieces from Newsweek and prominent links to the various NBC and MSNBC television-related websites. Multimedia features are prevalent on the site, as they are on CNN.com, although, unlike CNN.com, MSNBC.com will often feature multiple stories on the top of the page with pictures and story teasers rather than focusing only on one or two developing stories. Beneath the top stories on the page, MSNBC.com also has sections devoted to specific topics, but, unlike CNN.com, the sections include six or more headlines along with multiple video news reports for each section. MSNBC.com does have a way that users can send in pictures to the site, such as photos of their favorite locations to NBC’s Today Show, but it is not as prominent or unfiltered as CNN’s iReport section.

**Footnotes**

1. Comparing to the previous year, the makeup of the sources for the news for Google and AOL was virtually unchanged. For both 2007 and 2008, 90% of AOL’s coverage was wire news while Google changed only slightly, from 17% wire coverage in 2007 to 21% in 2008.
In a year dominated by the presidential campaign and the U.S. economy, how did the major broadcast networks cover the news? Did trends and patterns that were evident in 2007 continue last year? And how does network news distinguish itself from the rest of the media landscape?

The short answer is that evening news on the three main broadcast networks tended to cover the election differently than morning news—oriented less around the horse race—but also tended to focus a good deal of its economic coverage on issues that were easy to present graphically and convenient but less than central to the eventual meltdown.

In 2008, the Project for Excellence in Journalism studied every minute of the three commercial networks’ nightly newscast, 30 minutes of PBS’ evening newscast and the first 30 minutes of the weekday morning shows. That represents a universe of 19,796 stories or about 915 hours of network news.

Some of the key findings about network news in 2008 include:

- Network news coverage of the presidential election, the U.S. economy and the war in Iraq closely tracked with the overall level of media coverage last year. Even so, one tendency of the network broadcasts, similar to that of the newspaper sector, was to provide a somewhat broader and more varied news menu than the media in general.

- Last year, as was the case in 2007, there was virtually no difference in the news agenda of the three big networks. The real contrasts emerge between the morning and evening news shows. There was significantly more election coverage in the morning than at night and more coverage of such things as Iraq and Afghanistan in the evening. Crime was significantly bigger in the morning, whereas education and health were much more prevalent in the evening.

- The conventional wisdom that cable news wrested the election franchise away from network news overlooks the role broadcasters played in the 2008 race. The most memorable Sarah Palin interviews were with ABC’s Charlie Gibson and particularly CBS’ Katie Couric. Colin Powell’s newsmaking endorsement of Barack Obama came on NBC’s Meet the Press. And all the widely watched general election debates were moderated by network broadcast journalists.

The nightly PBS newscast, the NewsHour With Jim Lehrer, differs substantially from its commercial network competitors in both format and news agenda. One of the most notable differences in 2008 was the NewsHour’s far more extensive coverage of international stories and events—everywhere from Iraq to Zimbabwe to the Gaza Strip.
The Network News Agenda: Better Rounded Than Most

Throughout 2008, the news agenda in the media was dominated by two stories—the presidential election and the sharp downturn in the U.S. economy. And to a large extent, the main priorities of the three broadcast networks were similar to those of the broader media universe.

The historic presidential election of 2008 filled 32% of the network newshole compared with 36% in the media over all. The economy accounted for 16% of the network coverage compared with 15% over all. And networks devoted 3% of their newshole to the Iraq war, a number that was 4% in the media in general.

In certain areas, however, network television offered a higher level of coverage than the norm, similar to the newspaper sector’s tendency to deliver a relatively broad news mix in a year of narrowing coverage. Network news, which has traditionally dedicated substantial reporting resources to medical science, led all five media sectors in coverage of health and medicine (5% compared with 3% in the media in general). And due in part to the strong visual component of many disasters and accidents, the networks provided the most coverage of them (7%) in 2008—almost twice as much as the 4% in the media over all.
The data also suggest this visual orientation may have also influenced the nature of the coverage of the second-biggest story of the year—the economy. While the level of economic coverage on network news was only marginally different from the media over all, more of that attention than elsewhere was focused on energy costs and gas prices, which proved in the end to be something of a distraction from the credit and housing crisis that created the economic meltdown. In 2008, network news devoted more time to “pain at the pump” than any other media sector, thanks to an explosion of midyear coverage. In May, June and July—as oil surged to over $140 a barrel and a gallon of regular gasoline moved past $4—energy prices filled 8% of the network television newshole compared with 5% in the media over all.

### Gas and Oil Prices Coverage Over Time: Network TV vs Media Over All

![Graph showing gas and oil prices coverage over time for network TV and media over all in 2008.](Design Your Own Chart Source: PEJ, A Year in the News, 2008)

**Network Morning vs. Network Evening: Two Different News Views**

An examination of network coverage in 2008 reveals the same pattern we saw the previous year. There was virtually no difference in the news agenda of the three big commercial broadcast networks. When it came to the election, ABC and NBC devoted 33% of their newshole to that subject compared with 31% for CBS. On the economy, there was almost no difference (16% on ABC and CBS and 15% on NBC.) And all three networks devoted 3% of the newshole to Iraq.
Indeed, seven of the year’s top-10 stories were the same on ABC, CBS and NBC.

Top Stories: NBC vs. ABC vs. CBS

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NBC</strong></td>
</tr>
<tr>
<td>Election*</td>
</tr>
<tr>
<td>33%</td>
</tr>
<tr>
<td>U.S. Economy †</td>
</tr>
<tr>
<td>15</td>
</tr>
<tr>
<td>Olympics</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>Iraq War ‡</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>Afghanistan</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>Warren Jeffs and Texas Raid</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>Blagojevich Scandal</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>Violent Summer Weather</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>China</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>Hurricane Ike</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.

The results were the same when coverage was examined by broader subject areas. Each of the three networks devoted about the same percentage of their newshole to elections/politics, foreign affairs (international stories directly related to the U.S. and those that were not), economics, health, disasters, crime and education. In fact, they agreed on nine out of the 10 top topics in 2008.
The significant differences in news priorities emerged not between rival networks, but between the tightly produced evening newscasts and the somewhat chattier morning shows—NBC’s Today, ABC’s Good Morning America and CBS’ Early Show. (The PEJ examines the first 30 minutes of morning show content, when the more immediate, harder news is covered.)

Let’s start with the biggest story of the year. There was substantially more election news on the three morning shows (37% of the newshole) than in the evening (27%). Conversely, there was more coverage of the nation’s economic woes (17%) in the evening than in the morning broadcasts (14%).

A bigger difference emerged in the attention to the two shooting wars in which the U.S. is currently engaged. On the nightly news, 5% of the newshole was devoted to combined coverage of Iraq and Afghanistan. That is more than twice the attention (2%) given to those stories in the morning hours.

When it came to broader topics, other differences showed up. Crime coverage was about 50% bigger in the morning—6% compared with 4% at night. (On the morning shows, for example, coverage related to the raid on the Texas polygamy compound was the No. 4 story of the year, generating about twice as much coverage as in the evening.) At the same time, viewers were more than three times more likely to see health coverage in the evening (7%) as they were in the morning (2%).
Network News and the Election: Horse Race in the Morning, Policy at Night

Not only were there substantial differences in the amount of election coverage offered on the morning and evening news broadcasts, but they also diverged when it came to the key elements of that coverage.

The three morning news shows, for starters, were focused heavily on the horse race aspect of the campaign — who was ahead or behind, the tactics and strategy of the race. More than two-thirds of the campaign coverage (70%) airing in the first half-hour of the morning shows was focused on the horse race, substantially higher than the 57% in the media over all. Only 11% of the coverage on the morning shows was devoted to policy issues compared with 13% over all.

The campaign was reported quite differently in the evening hours. There, the horse race accounted for 59% of the campaign newshole, slightly higher than in the overall number. And coverage of policy accounted for another 15%, substantially more than in the morning (11%).

Why the intense focus on the horse race in the morning? In a campaign in which the candidates were often on the stump and making news late into the night, these early newscasts often seemed intent on resetting the state of the race —calibrating the candidates’ strategic positions and gauging the impact of the latest skirmishing—at the outset of each new morning news cycle.
Frame of Campaign Coverage
Percent of Campaign Newshole

<table>
<thead>
<tr>
<th></th>
<th>Network Morning</th>
<th>Network Evening</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Horse Race</td>
<td>70%</td>
<td>59%</td>
<td>57%</td>
</tr>
<tr>
<td>Political Other*</td>
<td>10</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Policy</td>
<td>11</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Personal</td>
<td>5</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Public Record</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

*Includes stories about advertisements, electoral calendar, endorsements and treatment by the press

Major Campaign Moments on Network News

In some ways, the role of broadcast news in the 2008 election may have been understated. The conventional wisdom that cable news, with its relentless coverage and sizable ratings increases, grabbed the campaign franchise away from network news misses something. Republican vice-presidential candidate Sarah Palin, whose interactions with the press were tightly controlled, sat down for two important interviews with ABC anchor Charlie Gibson and CBS anchor Katie Couric.

The Couric interview—when Palin stressed the strategic proximity of Russia to Alaska and couldn’t or wouldn’t mention the names of newspapers she read—may well have been one of the pivotal moments of the campaign. The Alaska governor clearly stumbled and raised doubts about her readiness. She was later quoted questioning the campaign’s decision to send her back for more after the first Couric interview had gone poorly.

Another important moment occurred on October 19, only 15 days before the voting, when President George Bush’s former secretary of state, Colin Powell, appearing on NBC’s Meet the Press, endorsed Obama and called him a “transformational figure.” That event dominated some precious news cycles in the waning days of the campaign.

It is also worth noting that the four general election debates were moderated by broadcast network journalists—Gwen Ifill and Jim Lehrer of PBS, Bob Schieffer of CBS and Tom Brokaw of NBC. The second Obama-McCain face-off attracted the largest viewership of any presidential debate since 1992 and the audience for the Palin-Biden meeting was the biggest for any television debate since Ronald Reagan and Jimmy Carter squared off in 1980.

During the campaign, candidates also made news by actively making the rounds on morning network shows. On February 5, the day of the crucial Super Tuesday contests, Hillary Clinton appeared on all three network morning shows encouraging people to come out and vote. On July 9, Obama was on all three network morning shows explaining his stance on Iran’s missile test. And just as the financial crisis was exploding, John McCain was talking on September 16 about the economy and his ability to handle the financial crisis on the morning circuit.
Format in Network TV

Our previous examinations of evening network news have found a certain thoroughness and precision of reporting not seen in cable or even on the morning news—a characteristic stemming largely from a reliance on taped and edited correspondent packages as the core of the nightly newscast. Even with continuing financial pressures on the networks, those qualities were maintained.

Story Format ABC vs. CBS vs. NBC

Percent of Newshole

<table>
<thead>
<tr>
<th></th>
<th>ABC Evening</th>
<th>CBS Evening</th>
<th>NBC Evening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Package</td>
<td>82%</td>
<td>82%</td>
<td>78%</td>
</tr>
<tr>
<td>Interview</td>
<td>9</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Anchor Read</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Staff Live</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Live (event or external live)</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Unedited Audio/Video</td>
<td>&lt;1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>&lt;1</td>
</tr>
</tbody>
</table>

In 2008, correspondent packages made up 81% of the time on the nightly newscasts, down only negligibly from 2007 (82%). Anchor interviews rose from 6% in 2007 to 8% in 2008. ABC and CBS relied more on taped packages than NBC, a continuation of a trend we saw in 2007.

One significant format change was the increase in anchor interviews on the CBS Evening News—doubling to 8% from 4% in 2007. When Couric arrived at CBS from NBC’s Today show in late 2006, interviewing was considered to be one of her strong points and initially it was a significant part of her role in the newscast. But in 2007, the network narrowed her anchor role and cut back on the interview time. Last year, that decision was apparently revisited and it produced perhaps the most memorable network conversation of the year—the Palin sit-down.
The trend on the morning broadcasts in 2008 was toward more interviews and fewer reported packages. Anchor interviews filled 36% of airtime studied in 2008, up from 30% a year earlier. The percentage of the morning newshole devoted to taped packages fell to 44% last year compared with 50% in 2007. That decrease occurred across the board at Good Morning America (50% vs. 54%), the Early Show (44% from 51%) and Today (40% from 46%).


The PBS nightly newscast, the NewsHour with Jim Lehrer, is considered by many as an alternative broadcast to the three major networks for a number of reasons, including its length, its news priorities and its format. The hour-long program is mostly interview-driven, with the first seven minutes or so devoted to a summary of the day’s news, followed generally by three to five interviews exploring topics further.

But these interviews are quite different than on network morning and evening newscasts. The segments are longer (on average four minutes vs. three on morning shows and two on evening newscasts) and usually involve analysts and scholars.

The topic agenda also differed on the NewsHour.

One clear finding is that the PBS newscast was considerably more focused on stories beyond the U.S. borders. Besides Iraq, the war in Afghanistan, the cyclone in Myanmar, the turmoil inside Pakistan, the elections in Zimbabwe and the Israeli-Palestinian conflict all made the NewsHour’s top-10 roster of stories in 2008. With the exception of Iraq and Afghanistan, none of them were on that list on the commercial networks’ nightly programs.

The NewsHour’s greater emphasis on overseas events was even more obvious when coverage was examined on the broader subject level. Almost a quarter (23%) of the newshole on PBS was devoted to foreign affairs (both those that directly involved the U.S. and those that did not) while those subjects accounted for 13% on the three commercial network newscasts.

Compared with the commercial networks’ evening newscasts, the NewsHour offered more presidential election coverage in 2008, with 32% of the airtime studied devoted to the story compared with 27% of evening network news. But there was somewhat less of the campaign horse race on PBS (54%) than on the other evening programs (59%) and there was more coverage of policy issues on the NewsHour (19%) than on its commercial competitors (15%).

The U.S. economy also received more coverage on PBS—20% of the newshole versus 17% on the commercial networks’ nightly news. And the NewsHour devoted 6% of its newshole to the Iraq war compared with 4% on the evening broadcasts.
Top Stories PBS vs. Network TV (w/o PBS)
Percent of Newshole

<table>
<thead>
<tr>
<th>PBS</th>
<th>Network TV (w/o PBS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Election*</td>
<td>32%</td>
</tr>
<tr>
<td>2 U.S. Economy †</td>
<td>20</td>
</tr>
<tr>
<td>3 Iraq War ‡</td>
<td>6</td>
</tr>
<tr>
<td>4 U.S Domestic Terrorism</td>
<td>2</td>
</tr>
<tr>
<td>5 Myanmar Cyclone</td>
<td>1</td>
</tr>
<tr>
<td>6 Supreme Court Actions</td>
<td>1</td>
</tr>
<tr>
<td>7 Afghanistan</td>
<td>1</td>
</tr>
<tr>
<td>8 Pakistan</td>
<td>1</td>
</tr>
<tr>
<td>9 Zimbabwe Elections</td>
<td>1</td>
</tr>
<tr>
<td>10 Israeli/Palestinian</td>
<td>1</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.

Footnotes
1. There was little variation among the networks in the way the race was conveyed on their nightly newscasts. The ABC, CBS and NBC broadcasts all framed 59% of their campaign stories as horse race while 15% of ABC, 13% of NBC and 17% of CBS election stories were policy related. In the morning hours, there were somewhat larger distinctions between networks. On Today, 74% of election stories were about the horse race (the highest in network television) compared with 71% for the Early Show and 66% for GMA. NBC’s Today also offered the lowest proportion of policy stories (9%) compared with 11% on CBS’ Early Show and 12% on ABC’s GMA.

Cable
Cable Content
By the Project for Excellence in Journalism

The Cable News Agenda: The Election, The Election, The Election

In a news year dominated by two major stories, the television sector with the most time to fill, cable news, offered the narrowest news agenda of all. According to an analysis of the coverage examined by PEJ, the cable TV channels spent about three out of every five minutes on a single story: the 2008 presidential election.
That helped them enjoy sizable ratings increases in 2008, but it raised the question going forward of whether these outlets had a second act that would retain their audience once the ballots were cast, and the early indicators were mixed. CNN and MSNBC lost much of their audience gains. Fox, after a drop, saw its audience jump in the early days of the Obama administration. (See Cable Audience Section)

Cable’s affinity for the presidential election was foreshadowed in 2007, when the sector devoted 15% of the airtime studied to the early stages of the race. But in 2008, that level of coverage swelled to 59%.

The attention was not evenly dispersed. There are—literally and figuratively—day and night differences in news priorities, with the talk-oriented prime-time lineups responsible for the lopsided focus on the election. And within the cable universe itself, MSNBC, the self-proclaimed “Place for Politics,” distinguished itself from CNN and the Fox News Channel with an even more spectacularly single-minded focus on the election throughout the day.

![Top Stories: Cable vs. Other Media Sectors](chart.png)

Design Your Own Chart
Source: PEJ, A Year in the News, 2008
Note: Election includes stories about the campaign, results, and the transition
U.S. Economy includes stories about the financial crisis, economic numbers, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
Iraq War includes stories about Iraq policy debate, events in Iraq, and Iraq homefront
The cable television news agenda in 2008 was the most constricted of any of the five basic media sectors studied—radio, online, network television, newspapers and cable. The campaign, election results and subsequent transition to the Obama administration accounted for 59% of all the airtime studied on CNN, the Fox News Channel and MSNBC. That translates into about 60% more coverage on cable than the election received in the media over all, even with the election the top story in all media sectors.

The other part of the picture is the news that was squeezed out by the medium’s election-centric fascination. The floundering U.S. economy, which exploded as a major news story in mid-September with the sharp decline on Wall Street and distress in the banking industry, accounted for 10% of the airtime studied on cable—a third less than the 15% of over all media coverage last year, and the smallest of any sector studied.

The constriction also extended to the Iraq war and foreign news in general in 2008. While coverage of Iraq decreased in the media over all by about three quarters from 2007 to 2008, it plunged by almost 90% in cable (to only 2% of the newshole from 15% in 2007), making it the sector devoting the least attention to one of the longest wars in U.S. history.

And it wasn’t just Iraq. Any news from overseas was hard to find on cable. Only 8% of the newshole studied was filled by coverage of foreign events. That compares with 17% for global news in the media over all. The combined cable coverage of such international stories as Afghanistan and Pakistan—two nations deeply intertwined with U.S. security interests—filled about 1% of the newshole, about 30% as much coverage as in the media over all.

Instead of simmering foreign or domestic news, cable tended to focus its non-election airtime on more attention-getting, one-time events. The deadly Mumbai attacks that terrorized India, for example, generated more coverage in cable than any other sector. It was also the only media platform in which the Caylee Anthony case, involving the missing toddler in Orlando, Florida, whose mother was charged with her murder, was a top-10 story for the year. The same is true of the splashy sex scandal that ensnared the governor of New York, Eliot Spitzer, in Washington.

### Top Stories: Cable vs. Media Over All

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>Cable</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election*</td>
<td>59%</td>
<td>36%</td>
</tr>
<tr>
<td>U.S. Economy †</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Blagojevich Scandal</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Iraq War ‡</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Immigration</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mumbai Terror Attacks</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Domestic Terrorism</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Caylee Anthony</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Spitzer Scandal</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Scott McClellan’s Book</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.
Daytime Vs. Prime Time: Night and Day

There was more coverage of the Mumbai, Caylee Anthony and Spitzer stories in daytime cable than on prime time, which hints at another finding clear in the data from 2008.

The cable news universe is divided into distinctly different parts. During the day, the emphasis is more on covering a handful of breaking—or pending—news events, with a much smaller audience tuning in. At night, when the talk shows take over, commentators and pundits dissect and magnify the one or two biggest developments that lend themselves to debate and disagreement, and play to audiences that are about double that of daytime. It is this more narrowly focused prime time that attracts the most viewers, features each channel’s best-known talent and most sharply defines the personalities of the channels.

When it came to the proportion of time devoted to the two big stories of the year, daytime cable looked very much like the media over all. It spent 35% of the airtime studied on the election, almost exactly in sync with the media in general, which filled 36% of its time and space with election coverage. Daytime cable also filled 15% of its newshole with coverage of the economy, matching the output in the media over all (15%).

But the subjects that made up the remainder of airtime were quite different on daytime cable than in the media over all or on evening cable. One story in which daytime cable lagged well behind the media was the Iraq war. It accounted for only 1% of the newshole—about one-third of the over all coverage devoted to the story in the broader media. Coverage of foreign news in general was minimal, filling only 10% of the daytime newshole—a little over half the coverage that topic got in the general media (17%). The second-biggest international story, behind Iraq, was the Mumbai terror attacks (also 1%), but events such as the war in Afghanistan and the situation in neighboring Pakistan were all but ignored.

Instead, crime and disasters registered as significant topics on daytime cable. Driven by stories such as the Caylee Anthony case and a polygamy sect in Texas, general crime coverage accounted for 13% of the daytime cable newshole studied, almost three times as much as in the media over all (5%). Coverage of severe weather, including Hurricanes Gustav and Ike, helped disasters and accidents fill 8% of the daytime newshole, double the 4% in the media in general.

Viewers of prime-time cable saw a very different array of news. In the main, prime-time cable in 2008 closely resembled talk radio with pictures. Both platforms placed a premium on high-octane opining and polarizing punditry that tended to magnify the biggest stories. This resulted in relentless coverage of the election (65% in prime-time cable and 60% in talk radio) and lack of attention to the economy (8% of the newshole in both cases). Even with the relative scarcity of financial coverage, however, almost three-quarters of the prime-time newshole was given over to those two subjects—leaving precious little time for anything else.

While prime-time cable devoted more coverage to the Iraq war (2%) than daytime, it still offered only about half the attention the war received in the media over all.
And that extended to coverage of overseas events generally, which accounted for just 7% of the cable prime time studied. That was less than half that in the media over all.

Cable in the evening hours also paid only modest attention to domestic topics that were not about politics, such as disasters and lifestyle issues. They did, however, devote more coverage than the media in general to such politically related stories as the scandal involving the Illinois governor, Rod Blagojevich, and the book by President George Bush’s press secretary, Scott McClellan, that was critical of his ex-boss.

**Top Stories: Daytime and Evening Cable vs. Media Over All**

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>Daytime Cable</th>
<th>Evening Cable</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election*</td>
<td>35%</td>
<td>65%</td>
<td>36%</td>
</tr>
<tr>
<td>U.S. Economy †</td>
<td>15</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Caylee Anthony</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Violent Summer Weather</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Iraq War ‡</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Blagojevich Scandal</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Spitzer Scandal</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mumbai Terror Attacks</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Domestic Terrorism</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Scott McClellan’s Book</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Texas Polygamy Case</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Immigration</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Georgia/Russia Conflict</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.

**Differences By Channel: MSNBC, the ‘Place for Politics,’ Stands Alone**

There were distinctions among the three major cable channels themselves in prime-time news judgment. Fox News, for example, tended to focus more on crime, while CNN covered more immigration than the others. The most glaring differences, though, stemmed largely from virtually wall-to-wall coverage of the presidential election by one cable channel, MSNBC.
In 2008, MSNBC solidified its niche as a left-leaning alternative to the conservative Fox News Channel, adding Air America radio talker Rachel Maddow to a prime-time lineup that already showcased the liberal politics of “Countdown” host Keith Olbermann. (See Cable News Investment) But branding itself as the “Place for Politics” slogan may have been just as intrinsic to its identity.

Including all time slots studied, MSNBC devoted nearly three-quarters of its coverage (72%) to the election, easily outstripping CNN (55%) and Fox News (52%).

And MSBNC maintained a substantial lead in political coverage round the clock. In daytime, 50% of its newshole was filled by the election, compared with 31% on Fox News and 26% on CNN. In the evening hours, the breakdown was 80% for MSNBC, 62% for CNN and 57% for the Fox News Channel.

**Top Two Stories: Coverage by Cable Channel**

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>MSNBC</th>
<th>CNN</th>
<th>Fox News</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Election</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daytime</td>
<td>50%</td>
<td>26%</td>
<td>31%</td>
</tr>
<tr>
<td>Evening</td>
<td>80%</td>
<td>62%</td>
<td>57%</td>
</tr>
<tr>
<td><strong>U.S. Economy †</strong></td>
<td>11</td>
<td>21</td>
<td>14</td>
</tr>
<tr>
<td>Daytime</td>
<td>5</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Evening</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae

MSNBC also showed more interest in political stories not directly related to the election. (One of its anchors, Chris Matthews, made political headlines of his own with speculation that he might challenge Senator Arlen Specter, the Pennsylvania Republican, in 2010, a move he ultimately decided against.) The channel paid a bit more attention to Scott McClellan’s harsh evaluation of his former boss, focused more on former Democratic presidential hopeful John Edwards’ marital infidelity and devoted a bit more coverage to the Blagojevich scandal than its two rivals. (The one exception was the Spitzer scandal, which received marginally more attention on Fox News and CNN.)

MSNBC’s exceptional focus on the election translated into considerably less coverage of everything, including the faltering economy, the second-biggest story of the year. The economy accounted for only 7% of MSNBC’s coverage (less than the 12% on CNN and 10% on Fox News). That trend, too, was maintained in both daytime and evening programming.

There was less attention as well to crime, disasters and accidents and immigration on MSNBC. And while Iraq coverage was minimal on all three networks, MSNBC devoted only 4% of its airtime to foreign coverage in 2008—less than half the time allotted to international news (9%) on both Fox News and CNN.
The Cable Channels and the Candidates—Three Different Perspectives

Not only did the topic agenda vary some by network, but a close look at the content also documents that the tone did as well. In a year dominated by politics, the three cable news networks came to fill distinctly different ideological niches. MSNBC tacked farther to the left, establishing itself as a liberal counterweight to Fox News, whose lineup of programs is more conservative. CNN’s roster of commentators filled the political spectrum, but its prime-time hosts, with the exception of Lou Dobbs, tend to be more neutral, at least in their on-air presentation. (See Cable News Investment)

And there were substantial differences in how the three networks portrayed the presidential candidates during a crucial stretch of the general election—September 8 through November 2—that started after the nominating conventions and ended two days before the voting.

An examination of the tone of that campaign coverage revealed that MSNBC was much less likely to air negative
segments about Barack Obama than the press over all. Just 16% of MSNBC segments studied about Obama were clearly negative in tone, compared with 27% in the news media over all. It also ran a slightly higher percentage of positive Obama stories, 40% vs. 38% in all news media.

MSNBC was also much more likely than to run negative stories about John McCain than the media over all, which was already quite rough. Fully 75% of McCain stories were negative (vs. 57% generally), while only 9% were positive (compared with 14% in the news media over all).

Fox News coverage of the candidates was in many ways the reverse of MSNBC’s. It was far more likely to air negative stories or segments about Obama than the media over all (43% vs. 27%), and much less likely to run positive ones (24% vs. 38%). Toward McCain, Fox News was more likely to be positive than other media (22% vs. 14% in the press over all) and substantially less likely to be negative (38% vs. 57% in the press over all).

CNN fell in the middle. Its coverage was closer than any other cable news channel to the press in general. If anything it was a little more critical of Obama than the media over all (36% negative versus 27% negative). For McCain, it hewed closely to the media generally.

Tone of Coverage: Obama vs. McCain
Percent of Campaign Stories, September 8-November 2, 2008

<table>
<thead>
<tr>
<th></th>
<th>MSNBC Obama</th>
<th>CNN Obama</th>
<th>Fox News Obama</th>
<th>Media over all Obama</th>
<th>MSNBC McCain</th>
<th>CNN McCain</th>
<th>Fox News McCain</th>
<th>Media over all McCain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>40%</td>
<td>9%</td>
<td>38%</td>
<td>15%</td>
<td>24%</td>
<td>22%</td>
<td>38%</td>
<td>15%</td>
</tr>
<tr>
<td>Negative</td>
<td>16</td>
<td>75</td>
<td>36</td>
<td>59</td>
<td>43</td>
<td>38</td>
<td>27</td>
<td>57</td>
</tr>
<tr>
<td>Neutral</td>
<td>44</td>
<td>16</td>
<td>26</td>
<td>25</td>
<td>33</td>
<td>41</td>
<td>34</td>
<td>29</td>
</tr>
</tbody>
</table>

Fox News and some conservatives have viewed these numbers as proof of Fox’s objectivity, since the tone of coverage toward Obama and McCain were quite similar. By treating the two candidates the same, the argument went, it was the most neutral channel. We think this is a misreading of the data.

Campaigns are rare events that offer some objective measure for tone—the candidates’ standing in the polls. The candidate who is winning tends to get more positive coverage, if only because the political stories—such as strategy, tactics and the horse race—that make up the biggest percentage of campaign coverage reflect and reinforce the candidates’ standing in the race. It follows that Obama’s coverage would be “better” than McCain’s. He was winning, and indeed, most of Obama’s positive stories were horse race stories. 1
If one candidate is clearly ahead and the other is struggling, and horse race stories are part of the mix studied, it makes little sense that the tone of the coverage of the two candidates would be similar. That would not reflect the reality of the race.

The question is what level of “better” coverage is too much, which is a difficult question to answer. One way of putting the coverage of Fox News and MCNBC into perspective is to calculate the extent to which they deviated from the rest of the media by computing the statistical differences for both networks from the press over all. By this calculus, Fox News varied from the press over all by 46%, and MSNBC varied by 29%. Whatever one’s view is of the mainstream press, these two cable channels vary from each other even more.

**Campaign Themes for Select Cable Shows**

January 6 – November 3, 2008

Another indicator of how cable news treated the candidates was which election themes the hosts chose to focus on. Here again, we had some clear distinctions between MSNBC and the Fox News Channel.
On both Hannity & Colmes and the O'Reilly Factor, the No. 1 election storyline from January 1 to November 3 was one that created serious political problems for Obama and was fodder for his critics — the candidate's relationship with the Rev. Jeremiah Wright Jr. That was also the case for CNN prime-time host Anderson Cooper, who largely maintains an ideologically neutral posture on his show.

Some of the favored election storylines on MSNBC were very different, with McCain as the primary target. The second-largest narrative on Olbermann's Countdown program was a largely unfavorable discussion of the McCain campaign's criticisms of Obama. It was also the No. 2 storyline on the Rachel Maddow show—behind only the economy/financial crisis—which was begun late in the campaign season, in September. But even at No. 2, the McCain criticism took up a much greater amount of Maddow's time than it did on Olbermann's program.

**Differences in How the Networks, and Individual Cable Shows, Deliver the News**

In 2008, the editorial personalities of the three news cable networks were also revealed in part by their formats—the percentage of newshole allotted to correspondent-reported packages, interviews, correspondent stand-ups and anchor reads.

On CNN—with a reputation for having the most reporting resources of the three cable networks—39% of the airtime studied last year was spent on packaged reported pieces. That is another measure establishing that viewers are getting more reporting and less talk there. Compare that with 24% on Fox News and only 9% on MSNBC. CNN and Fox News devoted very similar percentages of their time to another mode of reporting, live on-air staff reports, at 16% and 17%, about twice the proportion on MSNBC (9%).

And while MSNBC had the smallest percentage of reporting-oriented formatting, it easily spent the most time on interviews—68% compared with 46% on Fox News and 31% on CNN. That perhaps fits with that network's extensive coverage of the election, a subject often driven by the opinions of pundits and analysts in panel and discussion settings.

One other way of getting a handle on a cable network's priorities is to compare the length of their reported segments, either the pre-produced packages or the live staff reports. In both cases, there are differences among the three cable news competitors.

Not only did CNN devote the most time to packages by a significant margin, but those reports also tended to be longer than those of their competitors. The average CNN package in 2008 ran for 2 minutes and 45 seconds, compared with 2 minutes and 25 seconds on Fox News and 2 minutes on MSNBC. Lest those differences seem relatively minor, 20 seconds is a significant chunk of time in television.

By way of comparison, there is one fundamental difference between the length of reported pieces on cable news and on the broadcast networks. The average package on the ABC, CBS and NBC morning and evening news shows in 2008 lasted 2 minutes and 22 seconds. But the live staff reports are considerably shorter on the broadcast networks, lasting on average only 1 minute and 23 seconds. That may reflect tighter formatting on the network shows—where correspondents say their piece and are done—as opposed to the more conversational back and forth that occurs between correspondents and anchors on cable news.
### Story Format on Cable News
Percent of Newshole

<table>
<thead>
<tr>
<th>Channel</th>
<th>Program</th>
<th>Package</th>
<th>Interview</th>
<th>Staff Live</th>
<th>Anchor Read</th>
<th>Live (event or ext. live)</th>
<th>Unedited Audio/Video</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CNN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lou Dobs Tonight</td>
<td>68%</td>
<td>12</td>
<td>7</td>
<td>13</td>
<td>&lt;1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Situation Room With Wolf Blitzer</td>
<td>49</td>
<td>24</td>
<td>14</td>
<td>9</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Anderson Cooper 360</td>
<td>34</td>
<td>44</td>
<td>11</td>
<td>5</td>
<td>5</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
<tr>
<td></td>
<td>Campbell Brown: No Bias. No Bull.</td>
<td>21</td>
<td>42</td>
<td>29</td>
<td>8</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Fox News</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Special Report with Brit Hume</td>
<td>79</td>
<td>1</td>
<td>6</td>
<td>14</td>
<td>&lt;1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Fox Report with Shepard Smith</td>
<td>28</td>
<td>19</td>
<td>37</td>
<td>14</td>
<td>&lt;1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>The O’Reilly Factor</td>
<td>10</td>
<td>80</td>
<td>2</td>
<td>6</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Hannity &amp; Colmes</td>
<td>4</td>
<td>89</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>&lt;1</td>
<td>0</td>
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<tr>
<td><strong>MSNBC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Countdown with Keith Olbermann</td>
<td>21</td>
<td>62</td>
<td>4</td>
<td>13</td>
<td>&lt;1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>The Rachel Maddow Show</td>
<td>20</td>
<td>54</td>
<td>3</td>
<td>19</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Hardball with Chris Matthews</td>
<td>7</td>
<td>84</td>
<td>3</td>
<td>5</td>
<td>&lt;1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1600 Pennsylvania Ave</td>
<td>7</td>
<td>66</td>
<td>15</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Race for the White House</td>
<td>6</td>
<td>80</td>
<td>9</td>
<td>2</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
At the level of individual programs, there were significant differences in format. Two cable news shows are constructed more like traditional broadcast newscasts: CNN's Lou Dobbs Tonight and Fox's Special Report with Brit Hume (taken over in January 2009 by Bret Baier). Both leaned heavily toward reported packages, which made up about three-quarters of the time on each show.

Several other prime-time shows offered a mix of on-air formats. CNN's Situation Room With Wolf Blitzer, a program with some elements of traditional newscast formatting, spent about half its time airing packages—with about a quarter of the show devoted to interviews. On Anderson Cooper's 360 show on CNN, about a third of the time was taken up with reported packages with half the time devoted to interviews. Live staff reports constituted the biggest component—about one-third—of Shepard Smith’s Fox Report, but more than a quarter of the time was consumed with package reports as well.

Most of the rest of cable's prime time is built as pure talk shows that rely largely on interviews, although here, too, there were differences. Three of the prime-time shows are all almost talk, with a heavy tilt toward interviews. Interview segments accounted for at least four-fifths of the airtime on Hannity & Colmes, Hardball and the O'Reilly Factor. It’s perhaps no coincidence that Hannity & Colmes and Hardball were among the shows devoting the most attention to the election. And O'Reilly has traditionally made his encounters with guests a linchpin of his program.

Two of MSNBC’s prime-time stars—Olbermann and Maddow—led more highly produced talk-oriented shows that devoted most of their time to interviews, but still had a relatively large chunk of reported packages. On both Countdown and the Rachel Maddow Show, interviews accounted for more than half the airtime, but about one-fifth of their time was also devoted to reported packages.

How Hosts Use the Camera and Microphone

Some hosts make their imprint on their shows by dominating their interviews and panel discussions. But other hosts also put their stamp on their shows by spending more time talking directly to the camera in more formalized monologues and commentaries. Who are those?

It’s not, as some might have guessed, Chris Matthews or Bill O'Reilly.

It is other hosts on cable who spend their time talking alone directly to the camera, either delivering personalized monologues or commentaries to the audience or reading “tell stories,” anchor-narrated news stories that don’t involve a correspondent.

Matthews devoted only 5% of his airtime to this format, O'Reilly 6%, and the dueling duo of Hannity & Colmes 1%.

The hosts who in the time studied delivered more of this kind of direct-to-the-audience communication are two of MSNBC’s prime-time stars and one on CNN. Olbermann, who gained fame as a sports anchor on ESPN, offered a good deal of personal commentary on his show, most notably his “special comment” segment. He was tied at 13% with CNN’s Dobbs, who no doubt spent some of that time doing “tell” stories in his more standard newscast format.

The leader among talk-oriented hosts was MSNBC’s Maddow, who filled almost one-fifth (19%) of her airtime with
anchor reads. In some ways, Maddow is an atypical cable host—an openly gay woman who has something of a kinder, gentler on-air demeanor than the average prime-time cable practitioner. But she was an Air America radio talk host—a job she still has—before MSNBC plunked her into it its prime-time lineup. There is no better training ground than talk radio for delivering monologues on the air.

Footnotes

1. These figures differ slightly from those contained in The Color of News report because roughly two additional weeks data have been added.


Radio

Radio Content

By the Project for Excellence in Journalism

The presidential election provided ready fodder for the nation's talk show hosts, who made full use of the opportunity—to the exclusion of many other topics.

The headline newscasts of ABC and CBS, however, took the opposite approach. The amount of the newshole that they devoted in 2008 to the election was less than that of the talk show hosts and the media in general. Economic and business news loomed larger for the network headline services.

National Public Radio's political coverage was a little closer to the average of the media at large in terms of newshole. NPR listeners heard less about the economy and business, crime, health and disasters, than they did from the radio headline services. But the public radio outlet provided almost twice as much international coverage as the media over all.

Talk Radio Hosts' Favorite Topics: The Election (and Themselves)

In a heated and historic election year, the campaigns and politics accounted for 60% of the radio talk newshole in 2008.

Nothing else came close. But the No. 2 subject said something fundamental about the talk business. It wasn’t an economy in meltdown or foreign events, with U.S. troops in Iraq and Afghanistan. No, the talkers' second-favorite subject (for the second year in a row) often involved invoking the first person pronoun. Conversations about the media, much of which focused on the hosts themselves, accounted for almost one-tenth of the talk newshole in the year.

In a medium that is very much about the person behind the microphone connecting with listeners, self-referential comments often come with the territory for conservative talkers Rush Limbaugh, Sean Hannity and Michael Savage and their liberal counterparts Ed Schultz and Randi Rhodes. And no talk host has used the microphone to market himself as successfully as Limbaugh, who signed a new contract last year that reportedly will pay him $400 million over eight years.
Limbaugh generates a good deal of mainstream media attention—he was profiled in the New York Times Sunday magazine in July—and that often becomes a topic on his program. On March 10, for example, he spent time discussing media reaction to controversial and somewhat off-color comments he made about a possible Hillary Clinton-Barack Obama ticket. After counting up various media references to him, Limbaugh said, "That's a dilemma for somebody who doesn't want to make the show about themselves… I find it fascinating how I am continually misunderstood" in the mainstream press.

But Limbaugh has no monopoly on making himself a subject of his program. On his October 20 show, Schultz used some airtime to discuss his decision to walk off the Fox News Channel's morning show when he felt he couldn't get a word in edgewise.

“What other lefty has the [vulgar term] to walk out on Fox News in the middle of an interview?” he asked. “I'm tired of being interrupted on Fox… Americans don't think they're fair and balanced.”

When you add up the airtime devoted to politics and the media, those two subjects consumed nearly three-quarters of all the talk radio programming studied by PEJ last year. And in a year in which the overall media agenda was narrow, no platform was as restricted and constricted as talk radio.

The 60% of the talk radio newshole filled by the election and politics compared with 34% of the overall newshole among all media and even exceeded the 56% of cable news airtime devoted to the subject. (With its debate-oriented prime-time lineup heavily reliant on commentary and punditry, cable news is in many ways similar to talk radio.) Conversely, coverage of business and economics—which accounted for 15% of the overall media coverage in 2008—filled only 8% of the talk radio airtime. Coverage of overseas events, both those directly involving the U.S. and those that did not, fell across the board last year. But while they still represented 17% of the overall media newshole, that number was only 4% in talk radio.

**Top Broad Story Topics: Talk Radio vs. Media Over All**

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>Talk Radio</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elections/Politics</td>
<td>60%</td>
<td>34%</td>
</tr>
<tr>
<td>Media</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Economics</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Government</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Crime</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>U.S. Foreign Affairs</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Environment</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Additional Domestic Affairs</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Race/Gender/Gay Issues</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Business</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
Breaking down the coverage more specifically provides an even sharper sense of the talk hosts’ decision to largely take a pass on events beyond our borders. In the overall media roster of major stories last year, the Iraq war accounted for 4% of the coverage; it was only 1% in talk radio. And such international sagas such as the war in Afghanistan and unrest in Pakistan, which were among the top 10 stories overall in the media, were nowhere to be found on talk radio’s roster of top subjects.

And with the campaign monopolizing the airwaves, the coverage of a number of domestic topics—from crime to lifestyle—decreased from 2007 to 2008. Nowhere was this trend more obvious than with the subject of immigration. In 2007—as conservative talk hosts like Limbaugh and Hannity waged an on-air crusade to defeat a major immigration bill—that topic accounted for 4% of the overall talk airtime. In 2008, it plunged to less than 1%.

**Top Stories: Liberal Talk Radio vs. Conservative Talk Radio**

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>Liberal Talk Radio</th>
<th>Conservative Talk Radio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election*</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>U.S. Economy †</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Domestic Terrorism</td>
<td>2</td>
<td>Blagojevich Scandal</td>
</tr>
<tr>
<td>Blagojevich Scandal</td>
<td>1</td>
<td>Global Warming</td>
</tr>
<tr>
<td>Energy</td>
<td>1</td>
<td>Energy</td>
</tr>
<tr>
<td>Iraq War ‡</td>
<td>1</td>
<td>Georgia/Russia Conflict</td>
</tr>
<tr>
<td>Spitzer Scandal</td>
<td>1</td>
<td>Iraq War ‡</td>
</tr>
<tr>
<td>New Congress</td>
<td>1</td>
<td>Spitzer Scandal</td>
</tr>
<tr>
<td>Scott McClellan’s Book</td>
<td>1</td>
<td>Israel/Palestinian Conflict</td>
</tr>
<tr>
<td>Iran</td>
<td>1</td>
<td>Same-Sex Marriage</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.

**How the Hosts’ Ideology Affects Their Choice of Topics**

The 2007 immigration debate, which was driven by right-leaning talkers and given short shrift by liberals, illustrated the ideological divide when it comes to determining which subjects get airtime. In 2008, that gap was not particularly evident in the quantity of coverage of stories such as the election, Iraq and the economy. But other events reflected a clear philosophical gap when it came to deciding which stories were worthy of discussion.

One of those subjects was global warming. In 2008, it was a top-five story for conservative talkers with hosts such as Limbaugh and Savage often arguing that the media and liberals were overplaying the threat to the environment. On
liberal talk radio, that subject did not even appear among the year’s 15 hottest topics. At the same time, U.S. efforts to combat terror at home was a top-five story for liberal talkers, with Rhodes in particular attacking the Bush administration on things like torture and eavesdropping. But that subject was nowhere to be found among the top stories on the conservative side of the dial.

Another obvious example was the reaction to former White House press secretary Scott McClellan’s book. As the title suggests, “What Happened: Inside the Bush White House and Washington’s Culture of Deception” included a tough critique of McClellan’s former boss, President George W. Bush. McClellan was not treated as a hero by either side; Rhodes took him to task for his role as Bush’s press secretary and Savage saw him largely as a turncoat. But the liberal hosts were considerably more interested in the story, giving it about four times as much coverage as conservatives.

**Talkers Pick Their Targets in the Presidential Race**

The 2008 presidential campaign, with its spirited primary fights on both sides, created some interesting challenges and opportunities for the ideological talk hosts as they picked their targets and favorites from a large group of competitors.

In the early part of the year, during the heaviest primary period, there were two clear talk radio villains—John McCain and Hillary Clinton.

A PEJ study of the character-oriented narratives about the candidates that appeared in the media from January 1 through March 9 found that less than one-fifth of all the assertions about McCain on talk radio were positive compared with fourth-fifths that were negative.

Hillary Clinton didn’t fare well either. Nearly half of all the assertions about her on talk radio either reinforced the idea that she lacked core beliefs (30%) or that she was personally unlikable (16%).

Some of these attacks were predictably partisan, but some came from sources that might have been considered friendly. During the primary elections, top conservative talkers like Rush Limbaugh and Sean Hannity openly favored GOP hopefuls such as Fred Thompson and Mitt Romney over Mike Huckabee and McCain, whom the hosts criticized for being too moderate and well liked by the mainstream media. From January 1 to March 9, a full 73% of the assertions about McCain from the three right-tilting hosts in our sample supported the idea that the Arizona senator was not a reliable conservative.

“The drive-by media is doing everything it can to disqualify the true conservatives on the Republican side,” Limbaugh told listeners in January. “What you’re being told is the only two candidates left that have any chance whatsoever are McCain and Huckabee, which is exactly what the drive-bys want. They want a liberal moderate nominee.” Hannity concurred, declaring, “There is clearly an effort [by the media] under way, I think, to convince us, the voters, to go for either, say John McCain or Mike Huckabee.”

The third conservative talker in the PEJ sample, the more contrarian Michael Savage, basically opted for a pox-on-all-their-houses approach. Early on, he called the candidates a “bunch of doddering old fools.” And he promoted his own potential candidacy for the presidency, declaring that he was the overwhelming favorite among the millions of voters who had responded to his Web poll.
For a while, the conservative talkers’ dislike of Hillary Clinton—which dates back to her stint as First Lady in the 1990s—seemed to turn into an alliance of convenience with Barack Obama. For the first few months of the year, they offered more positive assertions (55%) than negative ones (45%) about Obama. But the course of the campaign altered that dynamic. Once McCain had emerged as the presumptive GOP nominee and with the Democratic fight still raging on, Limbaugh began pushing something he called Operation Chaos. He urged Republicans to vote for Clinton in open primaries as a way of keeping the Democratic nomination battle from being resolved and preventing the party from unifying. And by the end of the general election season, Limbaugh and Hannity were aggressively attacking Obama’s candidacy, characterizing him as a radical and a socialist.

On the liberal side of the talk radio spectrum, the two hosts in the sample, Randi Rhodes and Ed Shultz, appeared to favor Obama over Clinton, particularly as the Democratic primary race dragged on.

As early as Feb. 25, just a few weeks after Super Tuesday and more than three months before Clinton would concede defeat, Schultz was calling for her to exit the race on the grounds of Democratic unity. “I think it is time for Senator Clinton to step out,” Schultz declared. “This is damaging to the party.”

The more bombastic Rhodes, no fan of the former First Lady, hammered away after Clinton’s recollection about dodging sniper fire during a 1996 trip to Bosnia was proved to be inaccurate. Rhodes called her story a “big stinkin’ lie,” adding that “every single solitary airport landing I have ever had has been more traumatic than what I saw on the video in Tuzla.”

Rhodes’ distaste for Clinton ultimately led to a career-altering experience. In March, Rhodes made news by using a crude insult to describe Clinton during a stand-up comedy routine in San Francisco. Rhodes’ employer, Air America Radio, suspended her for those remarks, leading to Rhodes’ subsequent departure from the liberal talk network where she had been a marquee name. She quickly resurfaced as a syndicated talker on the Nova M radio, where she continued to be critical of Clinton’s primary campaign against Obama. (See Talk Radio for more Information)

Radio Network Headlines: Broad, Balanced and Quick

If talk radio is designed to generate debate by cherry picking and then magnifying a few hot topics (or, as was the case in 2008, basically one hot topic) from the news landscape, the CBS and ABC radio headline broadcasts do just the opposite. They are intended to provide a quick but broad digest of the wide range of daily events. And in 2008, they delivered a carefully apportioned mix of the three most significant topics — the economy, the election and foreign affairs.

The most striking aspect of the radio headline menu was the relative lack of coverage of politics and the election—16% of the newshole, which was less than half the amount devoted to that topic by the media over all. In fact, there was substantially more coverage of economics and business (25%) in these headline services, a figure considerably larger than the 15% of the newshole given over to economics and business in the media over all. (One reason for that is the faithful recitation of stock prices frequently heard on those headline wrap-ups.) Another 13% of the airtime was devoted to foreign events, moderately less than the over all media allotment of 17% of newshole to those stories.

Those three subjects accounted for slightly more than half of the headline newshole, and several other topics got reasonable amounts of coverage as well. Disasters and accidents accounted for 7% of the airtime, as did crime,
followed closely by health and medicine at 5%. All three of those subjects received more attention in the radio headlines than they did in the media over all in 2008.

Typical of the radio headlines news menu was this one from CBS on June 6, 2008, just a few days after the last primary voters had cast their ballots in the long Democratic nomination battle.

The top story was about the biggest monthly jump in unemployment figures in 22 years followed by a quick report on an off-the-beaten-path aspect of the economic crunch—roads and highways were in disrepair because of the skyrocketing costs of using oil-based asphalt. The next story was a brief recap at what the political world was buzzing about that day, a meeting between Obama and Clinton that spiked speculation about a possible vice-presidential slot for the former First Lady. Then came brief updates about storms and tornados in the Midwest and a drought that had spawned raging wildfires in North Carolina. Finally, there was a piece on efforts by anti-doping agencies to decide whether Viagra’s performance-enhancing qualities extended to bicycle races, thus necessitating a ban on the virility drug.

From the unemployment line to the medicine cabinet, the headlines offered a speedy spin around the day’s news cycle.

**Top Broad Story Topics: News Radio Headlines vs. NPR vs. Media Over All**

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>News Radio Headlines</th>
<th>NPR Morning Edition</th>
<th>Media over all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economics</td>
<td>19%</td>
<td>Foreign (Non-U.S.)</td>
<td>20%</td>
</tr>
<tr>
<td>Elections/Politics</td>
<td>16</td>
<td>Elections/Politics</td>
<td>19</td>
</tr>
<tr>
<td>Disasters/Accidents</td>
<td>7</td>
<td>Economics</td>
<td>12</td>
</tr>
<tr>
<td>Foreign (Non-U.S.)</td>
<td>7</td>
<td>U.S. Foreign Affairs</td>
<td>9</td>
</tr>
<tr>
<td>Crime</td>
<td>7</td>
<td>Business</td>
<td>4</td>
</tr>
<tr>
<td>U.S. Foreign Affairs</td>
<td>6</td>
<td>Lifestyle</td>
<td>4</td>
</tr>
<tr>
<td>Business</td>
<td>6</td>
<td>Government</td>
<td>3</td>
</tr>
<tr>
<td>Health/Medicine</td>
<td>5</td>
<td>Disasters/Accidents</td>
<td>3</td>
</tr>
<tr>
<td>Government</td>
<td>5</td>
<td>Crime</td>
<td>3</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>3</td>
<td>Environment</td>
<td>3</td>
</tr>
</tbody>
</table>

**NPR's Morning Edition Goes Big on Global**

As part of its weekly News Coverage Index, PEJ studied about 130 hours of National Public Radio’s signature early news program, Morning Edition, in 2008. In terms of news priorities, the NPR component of radio news is far closer to the network radio headlines than the commercial talk format. But there are still some distinguishing features to the NPR
news agenda, particularly when it comes to covering the world.

As NPR’s listening audience has grown by about 75% in the past decade, one of its perceived strengths has been international coverage at a time when many mainstream media organizations are shutting foreign bureaus. In 2008, the biggest component of Morning Edition coverage—30%—was devoted to news from overseas. That is nearly double the global coverage—17% of the newshole—in the media over all in 2008. And it even exceeds, slightly, the international coverage in the online media sector (27%), which has consistently devoted more attention to the rest of the world than the other four major platforms—cable news, network news, newspapers and the over all radio sector.

A further examination of that overseas coverage shows a significant tilt toward stories that did not directly involve the United States. While, coverage of non-U.S. stories accounted for 10% of the newshole in 2008 in the media over all, they accounted for 20% on Morning Edition. That 20% figure was nearly triple the attention (7%) the radio headline reports devoted to non-U.S. stories.

That international coverage ranged broadly, often going beneath the major narratives and top headlines. There was an offshoot-of-the-economic-meltdown narrative that looked at the impact of the financial crisis on Senegal, in Africa. There was a piece on rising tensions between Sunni and Shiite Muslims in the Mideast after a conference of Islamic scholars in Mecca. And a somewhat prophetic account that ran before Russia rolled its tanks into Georgia examining Russian President Dmitri Medvedev’s efforts to rebuild Russia’s degraded military forces.

At the same time, Morning Edition’s coverage of some of the more prominent and pressing international stories—such as the Iraq war (6% of the airtime studied), Pakistan (2%), China (2%) and Afghanistan (2%)—roughly doubled the amount of attention that the over all media paid to them.
NPR also featured slightly more coverage of the campaign and politics (19%) than the commercial radio news headlines (16%), but that total was still far below the political coverage (34%) in the media overall in 2008. In some other areas, NPR offered less coverage than the network headline reports, such as business and economics (16% compared with 25%), crime (3% compared with 7%), health and medicine (2% compared with 5%) and disasters and accidents (3% compared with 7%). In terms of quantity of coverage in those subject areas, NPR was not much different from the media overall in 2008. And the discrepancies here are more of a reflection of the headline reports’ niche of delivering a quick account of the day’s news.

Radio Differences in Format

Given its journalistic resources, Morning Edition had the largest overall component of interviews and pre-recorded story packages in the radio sector. The NPR program and commercial network headline reports were almost identical when it came to the percentage of airtime devoted to prepared story packages (59% to 57%). But 17% of the time on Morning Edition was filled by interviews compared with less than 1% on the headlines.

What the headlines lacked in interviews, however, they made up in staff voices on the air. About 41% of the headlines’ newshole was filled either by live staff reports or anchor reads, compared with 24% the NPR show.
For obvious reasons, the host-driven, commercial talk radio format is markedly different than either the headlines or Morning Edition and virtually none of the time is taken up by reported packages. There is, however, a significant difference in the percentage of airtime devoted to interviews depending on who is hosting the show. And again, it breaks down by ideology. The liberal talkers spent more than twice as much time doing interviews as their conservative counterparts, 17% to 7%.

A look at the individual hosts, at least in the part of the programs examined by PEJ, indicates that two of the talkers on different sides of the spectrum—the liberal Schultz and conservative Savage—do by far the most on-air chatting, with 24% of Schultz’s time take up with interviews compared with 17% for Savage. The two talkers who do, by far, the fewest two-way conversations in the time examined were Hannity (4%) and Limbaugh (3%). That reinforces the sense that Limbaugh is the star and centerpiece of his program. The liberal Rhodes was somewhere in the middle at 9%.

**Ethnic**

Content Analysis

By the Project for Excellence in Journalism

How did two major players in the ethnic media in America—the African American and Hispanic—cover the biggest story
of the year, the presidential race? And how did that compare to the press generally?

To find the answers to these questions, PEJ took a snapshot of Spanish-language, African American and English-language print and television media in the days leading up to and immediately after the historic election, the first to elect a person of color to the White House.

Over all, the African American and Hispanic ethnic media studied by PEJ offered a heavier emphasis on the ins and outs of voting, the election as a watershed in U.S. history and in African-American television a clear sense of celebration. Among the findings:

- Both Hispanic and African American media took how-to approach to their election reporting than did the mainstream outlets. In many cases the ethnic media acted as teachers, voter-advocate and even watchdogs. Indeed, both Spanish-language and African American newspapers devoted more than twice the space as English-language ones to explaining specifics on voting, such as necessary documents and when polls close.

- In addition to voting specifics, these news outlets also focused on protecting their audiences’ right to vote, reporting possibilities for irregularities and what to do if a person is unable to vote. Very little of this existed anywhere in mainstream media’s election coverage.

- African American print dedicated significant space – more than any other medium PEJ studied – to the historic nature of Obama’s candidacy and election. Almost a quarter of the election coverage studied was dedicated to the issue, twice that of mainstream newspapers.

- African American broadcasts revealed more emotional, celebratory and casual reporting style that reflected what might be called cultural media rather than a strict journalistic approach.

These are some of the findings of a study of election coverage from October 30, 2008 to November 5, 2008. PEJ studied the top three Spanish-language and African American newspapers, El Diario/La Prensa, El Nuevo Herald, La Opinión, the New York Amsterdam News, the Philadelphia Tribune and the Afro-American. PEJ then compared the content of those papers to the New York Times, the Washington Post and the Los Angeles Times.

In order to get an accurate picture of the media coverage of the presidential election, PEJ studied all articles, columns and editorials in the front section of each newspaper, including opinion and editorial articles.

On the broadcast side, PEJ looked at the top Hispanic and African American television stations offering election coverage, Univision and the Black Entertainment Channel (BET).

**Hispanic**

The issue of Hispanics as a critical voting block was largely absent from English-language media during the campaign season. Yet, Hispanics in the end played a significant role. There was record spending on Hispanic media and real-time Spanish translations of debates for the first time online. And as it turned out, the Hispanic vote proved crucial to Barack Obama’s victory. Hispanic voters numbered between 9.6 million and 11 million, according to exit poll data. 1 And an
additional survey reports that they voted for Barack Obama over John McCain by a margin of more than 2 to 1, or 67% to 31%. 2

Did Spanish-language media cover this election differently than their English-language counterparts? In the final days of the campaign, at least, the answer seems to be yes.

*Print*

As PEJ found in its analysis of coverage of the 2007 immigration bill, Hispanic print coverage of the election had more in common with its English-language counterpart than did Hispanic broadcast outlets.

The difference that stood out most was in the relative prominence given to storylines such as the historic nature of the election, voting issues and daily events on the campaign trail.

Spanish-language newspapers focused much more on the historic aspects of Obama’s status as a mixed-race candidate than did mainstream newspapers. Fully 21% of its coverage focused on this theme, compared with 10% of coverage in English-language newspapers studied.
Many of the pieces also talked about how Hispanics felt deeply connected to the election of a minority to the highest office in the country and hoped it would lead to a breakthrough in race relations in America.

In a column entitled “More there than victory” Gerson Borrero in El Diario/La Prensa told the story of a white woman who had added Hussein to her name to show solidarity with Barack Obama after the candidate faced criticism for his Arabic middle name. The woman, whom he identified as Paula Hussein Campbell of New York City, said she saw the election as “a new beginning,” Borrero wrote. And her actions “formed part of the victory after years of racism and stereotypes that we never thought we’d see in our lives,” Borrero wrote. “That for sure gives us a victory far beyond electoral triumph.”

After the historic nature of election’s racial dynamic, the next most popular topic in Hispanic print media was coverage of voting issues, and in the Hispanic press this coverage was not only bigger than in the English-language papers, but it was also different in character.
Fully 20% of the Spanish-language print newshole was dedicated to voting issues vs. 14% in English-language newspapers.

And the stories were different in nature. Rather than reporting on the demographics, turnout predictions and analysis, as was the case in English-language print, more than half of the Hispanic voting coverage (11% of all voting stories) focused on familiarizing Hispanics with the voting process and potential irregularities. This coverage took a more “how to” approach to Election Day, including articles on the logistics of Election Day, such as what ID to bring and what to do if you are unable to vote. Other stories explained the Electoral College and examined reports of voting irregularities.

Voting Coverage Breakdown, Newspapers

October 30-November 5, 2008

Source: PEJ original content analysis
On October 31, for example, La Opinión ran an article on page six entitled “Advice for Election Day,” that began with, “If you are voting for the first time in the United States this Tuesday, bring an identification document with you.” On November 4, El Nuevo Herald ran an article on the possibility of voting machine malfunctions due to high turnout on Election Day and El Diario/La Prensa reported that election authorities in New York and New Jersey would ensure everyone’s right to vote.

Beyond the mechanics of voting, the Hispanic media also paid close attention to the impact of the Hispanic vote. Coverage of the Hispanic vote accounted for 7% of election stories—the fourth-most common topic during the period studied (vs. 0.5% in the English language newspapers studied).

The extensive Spanish-language coverage differed in another way: a greater reliance on stories produced by wire news services such as the Associated Press. Well over half the stories were staff-produced (64%, including staff-produced opinion and editorial pieces) but more than a third came from wire services (35%). That is well above the percentage of wire stories on the topic in English-language papers (.5% wire). The remaining 1% was stories reprinted from other news outlets.

Finally, Spanish-language newspapers covered the international interest and impact of the election more than their English-language counterparts. Nine percent of Spanish-language articles were internationally focused, twice that of English print articles (4%). This was just behind the 10% of international coverage Spanish-language broadcast produced.

On October 30, for example, Nuevo Herald reported the impact an Obama win could have on the embargo with Cuba. In another, the paper reported that many Cubans in the U.S. hope an Obama win would relax travel restrictions to the island. La Opinión also covered the celebration in Kenya over Obama’s election via a wire story.

**Broadcast**

If Spanish-language newspapers emphasized trying to help their readers vote, the Spanish broadcaster Univision considered that its main mission. The largest Spanish-language broadcaster in the U.S. dedicated 28% of its election newshole studied during that week to voting, more than three times than the English-language broadcasters (8%), and nearly eight percentage points more than Spanish language papers (20%). And most of this—more two-thirds of all this coverage—was devoted to the how-to elements of voting, the mechanics of helping audiences actually vote, or how to avoid being discouraged or stopped from voting.
Consider the package run by Noticiero Univision on November 3 about how first-time voters and new citizens could ensure their right to vote. The story also reported on some irregularities in New Mexico and named various organizations ready to help Latinos having trouble exercising their vote. “It is estimated that in these elections, up to 2 million new Latino voters will exercise their right to vote,” anchor Maria Elena Salinas said. “A large part of them are new citizens of the United States, and for many, the electoral process represents a true challenge. During the last few weeks, we have offered you information about the electoral process that will help you vote… Today, we will inform you how to protect that vote.”
After voting, the next three most common topic areas got equal treatment from Univision, at 7% each: the impact of the Hispanic vote, coverage of swing and red (Republican-leaning) states, and examinations of electoral map math. Two of the three were bigger topics here than in English-language TV. In the period PEJ studied, English-language broadcast did not cover the impact of the Hispanic vote at all and dedicated 5% of their election newshole to electoral map math. Swing and red states, however, got substantial coverage –12% of the election newshole.

And in a demonstration of a way in which Hispanic media are using technology to adapt to the shifting needs and demands of a changing audience, Univision dedicated a sizable portion (7%) of its election newshole to electoral map math. Maria Elena Salinas unveiled a new digital map to measure electoral votes by saying, “Sometimes, images count more than words, and in our electoral coverage, for the first time, we have a digital map that can help us visualize the presidential contest.”
There were also some differences in how Univision and the three commercial American broadcasters produced their election news. Univision invested more staff resources in edited packages and relied less on live interviews or brief anchor reads that are easier to produce.

International reactions and perspectives on the American presidential election was an uncommon topic across most media, but Univision dedicated a significant piece of its newshole to bringing viewers an international perspective. More than any other media source, regardless of ethnicity or sector, 10% of Univision's election coverage had a significant international element. For comparison, only 2% of the English-language broadcaster's newshole was dedicated to international coverage of the election during the time PEJ studied.
One story in particular that stood out was about a group of indigenous Shamans in Peru, who held a ritual on a beach in order to guess who the new American president would be. Another was a recap of Cuban Foreign Minister Felipe Pérez Roque addressing the United Nations, calling John McCain a “political dinosaur,” speaking on how an Obama victory might affect the embargo against Cuba, but ultimately affirming Cuba’s “impartiality” in the U.S. election.

Spanish-language broadcasters displayed none of the emotional during the period studied that we found during coverage of the immigration debate in Congress in 2007. The coverage here, at least on Univision, was similar in tone and language to the major English-language broadcasters.

**African American**

African American media stood out as the most emotional in its campaign coverage and African American newspapers in particular acted as an election watchdog and advocate, urging African American voters to know and protect their rights and report irregularities.
In print, the biggest story line of all was the historic nature of the election given Obama’s status as the first person of color elected president. That storyline made up nearly a quarter of all the coverage during the period studied, 24.2%, compared with 10% in English language and 21% in Spanish.

One particular angle here was a focus on elderly voters who never thought they would see the day they could vote for a black man for president. In its issue prior to election day, the New York Amsterdam News told the story of the Rev. Benjamin Wright, a 105-year-old Harlem man who enlisted the help of a state senator to cast his ballot and then broke into a song of celebration... “Last week, [State Senator] Perkins presented Wright with his ballot at his Harlem home, and the good reverend, in his Obama baseball cap, was visibly pleased. He expressed himself not just through conversation but also by belting out a song: the classic gospel song ‘Pilgrim of Sorrow.’”

Such emotion was easy to find throughout the African American coverage: “The world has been watching and will continue to watch, as a black man once more has been called on to salvage a country spiraling perilously out of control and in desperate need of a messenger of hope and promise,” a piece in the Amsterdam News said.
Voting issues were the second biggest storyline (16% of coverage) in African American newspapers, particularly possible voter fraud, irregularities and turnout issues. These issues filled 14% of the mainstream newspapers studied and 20% of Hispanic. 7

Often these stories had the tone of a watchdog and advocate to African American voters, telling them to beware of certain voting issues and covering measures being taken by the presidential campaigns and organizations such as the NAACP to avoid voter fraud.

In the pre-election day publication, for example, the Amsterdam News ran an article, “Challenging Election Day Challenges,” which gave voters advice to come out early to avoid long lines, what voters should do if they are unable to find their name on the roll or if a voting machine breaks down. Similarly, the Philadelphia Tribune published “Keeping Voting Process Smooth and Painless.”

Voting Coverage Breakdown, Newspapers

October 30-November 5, 2008

Design Your Own Chart

Source: PEJ original content analysis
Save for the top two stories – the historic nature of Obama’s candidacy and voting issues – the angles the African American press pursued varied considerably from English- and Spanish-language papers.

A topic that received considerably more attention in the black press than either the Hispanic or mainstream media was a reported foiled plot by white supremacists in Tennessee to assassinate Obama. This storyline accounted for 3.2% of African American print’s newshole in the days leading up to and after the election. Neither mainstream print nor Spanish-language print covered this story.

The reports were straight accounts of the arrests and crime, but the Afro American was particularly detailed in its
description of the plan. The article read: "Cowart and Schlesselman are charged with possessing an illegal sawed-off shotgun, planning to steal weapons from a federally-licensed gun dealer and threatening a presidential candidate." 8

It continued, “Court records state that the two were plotting a killing spree that was to include more than 80 murders of other African Americans before culminating with a potential suicide attack on Obama. They reportedly told investigators they planned to drive toward Obama at high speed while dressed in white tuxedoes and top hats and blasting with firearms from the windows of their vehicle.” 9

Broadcast

Despite not having nightly news shows, BET and TV One, the two top-rated African American cable channels, did provide heavy news coverage of returns and events on election night. For this study, PEJ looked at the coverage on the top-rated network, BET, and compared it to the election night coverage of Univision, the top Spanish-language broadcaster, and the major English-language network news broadcasts.

What viewers found on BET was a substantially different news experience than elsewhere, one focused on providing a forum for voices of young voters and young African Americans wrapped up in an emotional and historic moment. The atmosphere was less formal and results-focused than Univision and the major networks’ coverage, and stood out among all media studied for its lack of technological wizardry. BET’s electoral map was on paper and hung in the studio.

BET’s election-night coverage began at 7 p.m. with the hosts of 106 & Park, a popular BET program, Terrence J. and Rocsi, decked out in VOTE T-shirts introducing rapper and hip-hop artist Q-Tip, who commented on the historic nature of the election. The hosts mixed the video countdown that typically marks their show with staff reports from Ohio and Atlanta and interviews with young African Americans who voted for the first time.

After 106 & Park, the coverage was turned over to Jeff Johnson, who served as the host for the night. From the beginning of the broadcast, it was clear that BET would assume the role of advocate and watchdog for African American voters at the polls. Johnson reported to the two hosts of 106 & Park: “You would not believe some of the tactics people are using to still try to get people out there to turn away. If you know somebody that’s at the polls and they’re in line you need to be their lifeline. Call them right now tell them to stay in line. Tell them don’t come home, they can’t get in the door, they can’t eat if they leave the lines.”

In a report from Spellman College in Atlanta, the historic nature and importance of the election to African American community was also evident. A student told an interviewer: “There are people who gave their lives for us to be able to vote. The least I can do is stand there and wait.”

Along with comprehensive coverage of results and returns, BET also broadcast staff reports from Phoenix, Ohio, Atlanta and Chicago. Johnson was joined for a good portion of the night by expert commentators and he mixed interviews with campaign officials and prominent African American political figures with reports from the field. The coverage included a series of town-hall like discussions on what Obama means for African American men and African American culture and how this election would affect America’s standing in the world.

Just after 11p.m., BET declared Obama the winner and the studio exploded with applause and cheering. Johnson
intoned: “There is no way you can hear this news and in some way shape or form not be moved. As a journalist, I’ve been attempting to maintain composure and report this, but this is history, and this has changed the entire world. And if you have not been affected by this emotionally, not just as a person of color but as an American, then clearly you’re disconnected from humanity.”

Spanish-Language and African American Coverage of the 2008 Presidential Election: Methodology

Sample

For the daily newspapers and broadcasts, PEJ studied the period October 30-November 5, 2008. For the African American papers that do not publish daily, PEJ studied any issues available between October 30 and November 5. If there was no issue printed on November 5, PEJ studied the first issue published by the paper after Election Day. In print we studied the front sections of three Hispanic and African American papers — La Opinión, El Nuevo Herald El Diario-La Prensa, and the New York Amsterdam News, Philadelphia Tribune and Afro-American. PEJ compared these ethnic sources to three English-language papers — the Washington Post, the New York Times and the Los Angeles Times.

In broadcast we studied the three English-language commercial television network evening newscasts and the PBS NewsHour, Spanish-language evening newscast on Univision and election night coverage on BET. It should be noted that BET does not have nightly news programming, so the only day PEJ looked at BET was on election night.

During this period all stories that were at least 50% about the presidential election or, after the election, about the new Obama administration were captured for analysis.

Story Capture

Five of the of the nine papers — the Amsterdam News, Philadelphia Tribune, the Washington Post, the New York Times and the Los Angeles Times — were collected by conducting a simple LexisNexis search, which allowed us to determine the placement of each story. Since El Diario-La Prensa, La Opinión, El Nuevo Herald and the Afro-American were unavailable on LexisNexis, hard copies of the papers were obtained through Pressdisplay.com, a Web service that provides exact digital copies of each newspaper, and all relevant articles were obtained. The exception to this was the Afro-American, which was not available in hard copy. In this case, PEJ captured the website and relevant articles each day (October 30-November 5) for the newspaper. PEJ collected and studied all stories on the presidential election appearing in the front section of each paper. The papers were selected based on circulation and geographic relevance to show the differences between different markets, since Hispanic and African American newspapers do not circulate nationally.

The broadcast stories were obtained by recording the Univision and BET broadcasts on the relevant dates using PEJ’s recording equipment. English-language broadcast stories were collected from PEJ’s news index archives, which contains daily network broadcast news programs. PEJ’s normal practice is to code only the first 30 minutes of a news broadcast if the program airs for over one hour, but in the case of all broadcast sources in English and Spanish, save for the evening PBS NewsHour, all programs air for 30 minutes. In the case of PBS, PEJ coded only the first half hour.
Coding Design

Once the stories were collected, PEJ used the content analysis method employing software designed to organize the stories according to specific variables. We selected several different variables that would allow us to measure each article quantitatively and qualitatively. For this project, the English-language stories had already been coded and identified in the News Index as being on the presidential election, and PEJ went back in the database and isolated those stories and combined them with the Spanish-language and African American stories in the database. The stories were categorized by:

- program or publication
- date
- format
- story describer
- three main sources

The story describer serves the purpose of allowing us to quickly identify a story based on content and gives a brief description of the material covered in the article. The three main sources variable specifies where the reporters obtained their information from when they relied on an outside source. Quotes from politicians or activists, statistics from organizations and interviews with citizens all are considered sources.

The qualitative aspect of the project focused on examining the articles for tone, language use and any other similarities or differences found in both print and broadcast. The stories were compared to one another in their respective languages and mediums and were then compared in English and Spanish to draw comparisons.

All stories were coded in their original language.

Footnotes


5. The three Spanish-language newspapers were similar in their use of wire stories with El Nuevo Herald at the top (40%) followed by El Diario/La Prensa (33%) and La Opinión (32%)

7. Of the coverage of voting issues, stories on the mechanics of voting and irregularities made up 9.7% of the election newshole for African American print. Analysis of voter turnout and demographic shifts accounted for 4.8%. And stories on early voting made up 1.6%.


Magazines
Magazine Content
By the Project for Excellence in Journalism

Introduction
The most basic data on news magazine content are derived from Hall's Media Research, which analyzes magazines page by page to determine what topics are receiving coverage.

In previous years, the Hall's data revealed that both Time and Newsweek had broadened and lightened the range of topics they covered. There was less focus on national government news and more of lifestyle topics. U.S. News & World Report, the outlier, had maintained a comparatively stronger orientation to traditional national, international and business news.

In 2008, however, that trend line changed. At Time and Newsweek the presidential election helped turn the focus firmly back to national affairs, at the expense of international, health and lifestyle coverage. U.S. News & World Report focused its editorial more on consumer-oriented features and stories on health and personal finance. The magazine greatly reduced its national and international affairs as well as its business news.
At Time, coverage of national affairs grew by nearly a quarter (8 percentage points) to 35% of all editorial space during the year. Moreover, that was 22 percentage points more than any other topic, and led, in turn, to declines in nearly everything else. International news fell by a nearly a fifth to 13% of editorial space, business by more than a third (to 5%) and culture news by a quarter to 10%.

The level of health coverage was basically unchanged in 2008.

At Newsweek, national affairs made up an even greater portion of the coverage, 39%. Business held at 7%, up a point, while health decreased nearly a third to 7%, and international news dipped by nearly a fifth to 11%.

One common denominator at both publications was a shift away from international coverage. (Link to News Investment.)
At U.S. News, the transitioning focus toward being a lifestyle guide led to a different profile—a boost in health and personal finance coverage at the expense of the hard news topics that once defined the magazine.

After offering more national and business news than its two main competitors for many years, U.S. News was now about on par with them in 2008. National news made 35% of the coverage (it was 36% in 2007); international news fell by nearly a third to 9%; business news was down slightly, to 8%, from 9% a year earlier.

In their place, the magazine gave small boosts to several consumer-oriented topics. Health news increased 2 percentage points, to 14%, personal finance grew a point to 8% and cultural coverage edged up a point to 12%. Slighter increases were seen in the amount of news on entertainment, travel, leisure, sports, home and garden and fashion, food and beauty.
## Newshole by Topic at Time, Newsweek, U.S. News

<table>
<thead>
<tr>
<th>Topic</th>
<th>Time</th>
<th>Newsweek</th>
<th>U.S. News</th>
</tr>
</thead>
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<td>National Affairs</td>
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<td>0.3</td>
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</tr>
</tbody>
</table>

Source: Hall’s Media Research, unpublished data
On the Covers
Another indicator of the content and personality of the news weeklies is how they sell themselves at the newsstand: their covers.

The cover pictures and text not only tell readers what is inside, but they also set a tone and evoke a personality.

Newsweek leaned more heavily on national and international affairs. Time addressed a broader range of topics, including health, education and volunteerism.

Comparisons with U.S. News & World Report here were more difficult, but also indicate the magazine’s direction. In July 2008, U.S. News transitioned to an every-other-week schedule and in 2009, cut back to monthly publication. U.S. News turned out fewer issues than Time or Newsweek, and yielded a much higher proportion of cover stories related to its topical focus — many on single topics, such as choosing a college — though not necessarily addressing news trends and events. For that reason, our cover analysis concerns only Time and Newsweek.

At Newsweek, 54% of the covers were about national affairs — 23 of those 27 about the election. At Time, 20 of 21 national affairs covers concerned the election.

Cover Story Topics in Time and Newsweek, 2008

![Diagram showing cover story topics in Time and Newsweek, 2008](image)

Source: PEJ research
Newsweek had slightly more covers on foreign affairs, seven, up from five in 2007. Time had five, up one from the previous year.

But the magazines' approach to world affairs differed. Newsweek, at least in promise, took a more thematic view, with covers on diplomacy (“The Post-American World”), Barack Obama’s post-election challenges (“The Global Agenda”) a special year-end issue (“The New Global Elite”) and two covers on China, both featuring Chinese athletes, but whose stories mostly concerned the nation’s economic influence.

Time’s covers focused more on events, such as the assassination of Benazir Bhutto in Pakistan, the Russia-Georgia conflict and the war in Afghanistan.

The war in Iraq was almost entirely absent on both magazines’ covers in 2008, the exception being Newsweek’s cover story in April on young men from the Libyan town of Darnah who were recruited to be suicide bombers in Iraq. Each magazine also had one cover about the military.

The magazines each had five covers on the economy, two of them for each before the economic crisis in September.

Newsweek was more likely to features topics related to lifestyle (three). Time focused more on health (four covers), addressing such subjects as childhood vaccination, juvenile obesity and the state of healthcare in the U.S.

While both magazines each featured the environment twice, the approach differed. Newsweek’s angles were more political, one assessing which presidential candidate was “the greenest of them all” and the other, featuring a polar bear, dubbed “The Politics of Endangered Species.”

Both sets of covers, though, were consistent with a move toward more analysis. A reporter for the New York Times, Richard Perez-Peña, wrote of Time and Newsweek: “They still produce some deep, original reporting. But these days, they are more likely to offer a comprehensive survey of a subject to present an argument or offer a prescription.”

Road to the White House

And which candidate for president appeared on the covers most?

In a runaway: Obama — 13 times in Time (10 prior to election) and 12 for Newsweek (9 pre-election).

In all, Time featured just four people associated with the campaign on its cover, Obama, John McCain (six times), Hillary Clinton (three) and Alaska Governor and vice presidential candidate Sarah Palin (once). In Clinton’s case, two of her three cover appearances were with Obama.

Newsweek spotlighted seven people: Obama 12 times, McCain 4, Palin 3, and Clinton 2. It seemed to go in rushes—Clinton and Obama in January, McCain twice in February, and Palin three times in September and October (plus a
fourth mention, on a cover boldly entitled “What Women Want” on a commentary suggesting she be placed on the Supreme Court.)

<table>
<thead>
<tr>
<th>Campaign Newsmaker</th>
<th>Time</th>
<th>Newsweek</th>
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</thead>
<tbody>
<tr>
<td>Barack Obama</td>
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<td>Sarah Palin</td>
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<td>Hillary Clinton</td>
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</tr>
<tr>
<td>Cindy McCain</td>
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</tbody>
</table>

Source: PEJ research

**The New Yorker**

Hall’s data also track one of what might be considered an alternative to the news weeklies, The New Yorker. As we have seen in past years, The New Yorker’s topic range stands in contrast to the traditional U.S. news weeklies.

As it has done during past elections, The New Yorker also stepped up its national affairs coverage in 2008. The amount of national news coverage, measured in editorial pages, nearly doubled, to 13%, up from 7% in 2007.

A pitched presidential primary battle between home-state Senator Hillary Clinton and Barack Obama was closely followed by the liberal magazine with its trademark commentaries, profiles, articles and Talk of the Town vignettes.
But, while other magazines that cover the news reduced international reporting, the amount of foreign affairs coverage stayed basically unchanged (at about 7% of the newshole) at The New Yorker from 2007 to 2008. Coverage tilted toward Pakistan, with reporting from Steve Coll; Iran, with continued article by Seymour Hersh; and numerous other long-form pieces on China, Iraq, Israel and Afghanistan.

The magazine’s culture coverage, a staple of The New Yorker, fell in 2008 to 22%, from 26% in 2007. Similarly, coverage of arts and entertainment receded slightly, to 23%, from 24% in 2007.

More space for national affairs coverage could be one reason arts and culture coverage was down in 2008 compared with previous years. But as we have seen in past years, these shifts in topic range are more regular at The New Yorker than at Time, Newsweek and U.S. News & World Report.
Religion in the News

This report is a special segment of A Year in the News, an analysis of the mainstream media in 2008. It was written in collaboration with the Pew Forum on Religion & Public Life.

The biggest single religion story of 2008 was compressed into about a week’s worth of coverage.

Attention to Pope Benedict XVI’s visit to the United States in April eclipsed even faith-related controversies surrounding the 2008 presidential election campaign, including candidates’ associations with controversial religious figures such as the Rev. Jeremiah Wright.

For the year over all, religion coverage represented only a small slice of a mainstream news agenda dominated by politics and the economy. Nevertheless, religion received about as much coverage as immigration, education, and race- and gender-focused stories. In 2008, religion coverage filled 1% of the newshole – the time or space available in an outlet for news content – studied by the Pew Research Center’s Project for Excellence in Journalism. (See Methodology.)

Selected Media Topics in 2008*

<table>
<thead>
<tr>
<th>Topic of Coverage</th>
<th>% of Overall Newshole</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politics</td>
<td>29%</td>
</tr>
<tr>
<td>U.S. Economy</td>
<td>13%</td>
</tr>
<tr>
<td>Religion</td>
<td>1%</td>
</tr>
<tr>
<td>Immigration</td>
<td>1%</td>
</tr>
<tr>
<td>Education</td>
<td>1%</td>
</tr>
<tr>
<td>Race/Gender Issues</td>
<td>1%</td>
</tr>
</tbody>
</table>

*Note: In 2008, the Project for Excellence in Journalism studied some 69,942 stories from 48 different news outlets.

Beyond the pope’s visit and religion stories related to the presidential election, only a handful of other events had a significant religion focus: the release of the U.S. Religious Landscape Survey by the Pew Forum (3% of the religion news hole); religion stories related to the 2008 holiday season (3%); a raid on a Texas compound associated with polygamist sect leader Warren Jeffs (2%); the death of Mormon leader Gordon Hinckley (1%); and the Muslim terrorist attacks in Mumbai, India (1%).
But the biggest religion story of the year by far (making up 37% of the religion newshole) was Pope Benedict’s trip to the U.S during the week of April 14. The pope’s visit was the second-biggest news story in PEJ’s News Coverage Index during that week. (The presidential campaign topped the news agenda.) By the next week, however, the pope’s visit had practically disappeared from the headlines.

The pope’s trip was a highly anticipated event that included scheduled stops in Washington, D.C., and New York City, two major media markets. However, more than half (54%) of visit-related coverage focused on two sub-stories: the ongoing impact of the clergy sex-abuse scandal (37%) and the pope’s relationship with American Catholics (17%).

<table>
<thead>
<tr>
<th>Story</th>
<th>% of Religion Newshole</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pope’s U.S. Visit</td>
<td>37%</td>
</tr>
<tr>
<td>Presidential Election</td>
<td>21%</td>
</tr>
<tr>
<td>Pew Forum Survey</td>
<td>3%</td>
</tr>
<tr>
<td>Holiday Season</td>
<td>3%</td>
</tr>
<tr>
<td>Polygamist Compound Raid</td>
<td>2%</td>
</tr>
<tr>
<td>Gordon Hinckley’s Death</td>
<td>1%</td>
</tr>
<tr>
<td>Mumbai Terror Attacks</td>
<td>1%</td>
</tr>
</tbody>
</table>
With the presidential campaign dominating all media coverage in 2008 (36% of the total newshole analyzed by PEJ for the year), one might expect that campaign-related religion stories would have eclipsed the pope’s visit. This was not the case, however. Much of the coverage of campaign-related events – including then-Sen. Barack Obama’s association with the Rev. Jeremiah Wright; the presidential candidates’ forum sponsored by evangelical megachurch pastor Rick Warren; and vice-presidential candidate Sarah Palin’s galvanization of “values” voters – focused on the “horse-race” aspects of the campaign rather than on the religion angles of the stories.
Two other religion stories that gained some traction in the press in 2008 were both tied to the Church of Jesus Christ of Latter-day Saints: The death of Mormon leader Gordon Hinckley in January (1% of religion newshole) and the police raid on a Texas compound associated with fundamentalist sect leader Warren Jeffs (2%).

Religious conflict around the world received sporadic attention from the press (combined, these stories filled 3% of the religion newshole). Two of the biggest events – the November terrorist attacks in Mumbai, India, and ongoing cultural unrest in Iraq – centered on religion-related violence. Religious conflict also was a storyline in coverage of religious freedom issues in Russia under Prime Minister Vladimir Putin.

Were there any unifying themes to the mainstream press coverage of religious issues in 2008?

Throughout much of 2008, the media generally seemed to follow two patterns in its coverage of religion. First, religion reporting was often episodic, clustering intensely around big events such as the pope’s visit and religion stories related to the 2008 holiday season. Religion stories also faded quickly from the headlines.

Second, the angle of religion coverage frequently gravitated toward controversies, such as Barack Obama’s relationship
with Jeremiah Wright and stories about the clergy sex abuse scandal that surfaced during the pope’s visit. This was particularly problematic for the presidential and vice-presidential candidates, who were inundated with questions concerning their faith.

**Interactive Topline**

Interactive Topline

Do you have questions about what got covered and what did not in 2008? Or how different media differed? In our Interactive Topline you can answer for yourself which media sectors covered your areas of interests, compare coverage of big news events and dig more deeply into differences among specific news outlets.

Select any of the chart links below. Once there, scroll down to customize the data, choosing which items you want to compare and how you want them displayed.

Also available is a pdf of the full topline data

- Top Stories by Media in 2008
- Top Ten Broad Topics by Media, 2008
- Top Stories in Newspapers, 2008
- Top Ten Broad Topics in Newspapers, 2008
- Top Stories in Network TV, 2008
- Top Ten Broad Topics in Network TV, 2008
- Formats of Network TV Stories, 2008
- Top Stories on Cable, 2008
- Top Ten Broad Topics on Cable, 2008
- Formats of Cable TV Stories, 2008
- Top Stories Online, 2008
- Top Ten Broad Topics Online, 2008
- Sources of Online News Stories
- Top Ten Stories on Radio, 2008
- Election Coverage by Media, 2008
- Positive Coverage of 2008 Candidates by Media
- Negative Coverage of 2008 Candidates by Media
Online Journalist Survey – Intro

Introduction

Online Journalists Optimistic About Revenue and Technology, Concerned About Changing Values

Journalists who work online are more optimistic about the future of their profession than are news people tied to more traditional media platforms, but at best their optimism is an uneasy one, according to a new survey of members of the Online News Association produced by the Association and the Pew Research Center’s Project for Excellence in Journalism.

These online news people also believe that the Internet is changing the fundamental values of journalism—and more often than not for the worse.

Overall, the online journalists surveyed are less likely to think journalism is headed in the “wrong direction” than are journalists from legacy media. They are also more confident than they are pessimistic that online news will find a self-sustaining revenue model.

Contrary to current economic trends in the news industry, most report staff increases and are seeing their sites turn a profit—though this is still heavily influenced by how costs are accounted for.

But these economic hopes, while encouraging, are still largely pinned on Web advertising, whose revenues in news began flattening out in 2008.

When it came to the impact of the Internet on values, the most cited change was a loosening of standards and more carelessness in online news gathering.

Those journalists surveyed, who come largely from websites linked to legacy media, also believe the Web is changing the fundamental values of the journalism—mostly for the worse. In particular, they are worried about declining accuracy, in part due to the emphasis online that news organizations are putting on speed and breaking news.
But not all of the changes were considered worrisome. Some journalists praised the growing diversity of voices, the potential of technology, and in some cases, even the move toward more overtly ideological points of view at news sites.

“I think there’s a huge potential in online journalism, but there’s also a lot of scary stuff out there . . . We have to try to not lose our way,” said one member who, as a part of a three-person operation, does everything from handling tech problems to social media posts to original reporting.

“It’s a good feeling to work in a part of the industry that has hope for the future,” offered another.

These are some of the findings of a survey of nearly 300 members of the Online News Association (ONA), produced jointly with the Project for Excellence in Journalism (PEJ), which drafted the questionnaire. Princeton Survey Research Associates administered the survey.

The findings represent the first-ever survey of journalist members of ONA, the largest organized association of digital journalists. The majority of those surveyed work for websites tied to legacy media and most have more than 11 years experience in a newsroom setting.

We do not assume that these results represent the views of all of people in new media, but 10-year-old ONA, with nearly 1,800 members, offers useful insights into how digital journalism is being practiced.

Among the findings:

- A solid majority of those surveyed (57%) say the Internet is “changing the fundamental values of journalism.” The biggest changes, the respondents said, were a loosening of standards (45%), more outside voices (31%) and an increased emphasis on speed (25%).

- When asked what online journalism is “doing especially well these days,” more named aspects of technology like using advancements well (31%) or speed (30%) than named reporting skills like improving storytelling (16%) or exploiting the potential for greater depth (12%).

- Six in 10 (63%) of respondents ranked original reporting as the most important type of information they produce. This was more than four times as much as the second-most important information type: aggregated material from wires and other legacy outlets (13%).

- For the most part, online journalists say they have been spared the kinds of staff cutbacks their legacy brethren experienced in 2008. Many (39%) reported staff increases compared with a year earlier. Another third said their staff numbers have remained the same. Less than a quarter (23%) saw staff decreases.

- Despite current trends, most of these online journalists are pinning their hopes in the future on advertising. Roughly two-thirds of these online journalists predicted advertising would be the most important form of revenue at websites three years from now. Only a quarter of respondents named some other new revenue model.

Click here to read the Full Report
Footnotes

1. ONA also has an academic membership segment, which was not included in this survey of online media practitioners.


The Future of Journalism

Overall, the journalists surveyed are less negative about journalism’s future than are journalists from national news organizations surveyed a year earlier, but they are still worried.

Most (54%) said journalism was “headed in the wrong direction” (vs. 45% in the right direction). But this was a much more even split than seen among legacy national journalists a year ago. In that group, 62% voiced pessimism and just 32% optimism—and that was when the economy was stronger.

“Generational change is scary,” wrote the content manager for one of the country’s largest newspaper-based websites, but “We have to live with it, embrace it, be excited for our children and our children’s children and the discoveries they will make.”

“I believe as long as there is news, there always will be a need for professional journalists and the standards they maintain,” wrote another. “Online journalism is already evolving beyond the limits of traditional newsrooms and yet the medium is still in its infancy.”
When it came to the big question looming over the news industry today—future revenue streams—four in 10 respondents were “very confident” that online news would “find a profitable and self-sustaining revenue model.” Similar numbers (43%) were somewhat confident. Only 11% were “not too” confident.

But their comments reflected more stubborn optimism than a clear plan about the future. As the editor in chief of an engineering website and magazine put it, “It’s a difficult environment for journalists with the double whammy of the Internet changing the game and a god-awful economy. We soldier on.”
Indeed, most of these online journalists are pinning their hopes on advertising, even though the trajectory of advertising online is flattening and there are growing doubts about whether it will ever reach a scale that would underwrite the news. When asked what would likely be the most important form of revenue in three years, fully 65% named advertising. And a third specified display advertising, which to date has been the biggest source of online news revenue. But the total dollar amount remains very small with growth expected to slow considerably for 2008 and 2009. The going display ad rate per 1,000 viewers was a mere 26 cents in 2008, down by half from 2007.  

Which do you think will be the most important source for online revenue in 3 years?

- Display Ads: 32%
- Search Ads: 19%
- Video Ads: 14%
- Subscription: 7%
- Fees from aggregators: 5%
- User Donations: 3%
- Other: 9%
- No Answer: 10%
Another 19% named search advertising, which is on the rise but flows mostly to search engines like Google and Yahoo rather than news sites. And video ads, still in their infancy, but with little evidence yet of their success with either audiences or ad companies, were named by 14%.

Just a quarter of respondents, on the other hand, specified something other than advertising as the most important source of revenue in three years: 7% named subscription fees, 5% named aggregators, 3% named donations from members, and 9% offered a handful of unique suggestions such as providing content to hotels, selling documentary DVDs, setting up a press distribution service and even renting out space in the organization's garage.

One reason these online journalists may imagine that advertising will be the key is that this is mainly what their sites are working on trying to develop. Fully 69% of respondents said their organizations are working “very actively” to develop new revenue streams. But the biggest area of that work (23%) was advertising.

Another 17% specified finding a way to monetize mobile content, video or RSS, much of which is tied to advertising as well.

<table>
<thead>
<tr>
<th>New Streams of Revenue Being Explored</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>23%</td>
</tr>
<tr>
<td>Monetizing mobile/RSS/Video/Text</td>
<td>17</td>
</tr>
<tr>
<td>Partnerships</td>
<td>12</td>
</tr>
<tr>
<td>Developing new websites/Niche websites</td>
<td>10</td>
</tr>
<tr>
<td>Ecommerce/Transaction Revenues</td>
<td>10</td>
</tr>
<tr>
<td>New content/Directories</td>
<td>8</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>7</td>
</tr>
<tr>
<td>Syndication</td>
<td>7</td>
</tr>
<tr>
<td>Verticals</td>
<td>3</td>
</tr>
<tr>
<td>Misc. Other</td>
<td>15</td>
</tr>
<tr>
<td>No Answer</td>
<td>37</td>
</tr>
</tbody>
</table>

Note: Based on those whose for-profit organization is very actively trying to develop new revenue streams [N=155]. Total may exceed 100% due to multiple responses.

These journalists are aware of the challenge. Far above anything else, economics, or as one respondent put it, “the imploding business model,” was the named (by 42% of respondents) as the biggest problem facing online journalism today.

One ONA member who helps administer content and video products explained, “I'm finding our company wants to lump Web ads into larger sales packages that are primarily for broadcast sponsorships. I'm also finding that the sales staff
has no idea how to sell our product."

And ideas out of the mainstream seemed even harder to come by. Few named such possibilities as directories (8%), sponsorships (7%), syndication (7%), or verticals (3%).

Not all new revenue streams are seen as good ventures. One ONA member expressed dismay at what their company is exploring—selling stories to product-specific websites like Home Depot or Lowe’s. “Companies want that content to make their sites more credible, but . . . the news organization will become less credible because it will appear to be an endorsement of a product or service.”

And the biggest portion of all, 37%, either chose not to or could not specify what their company was doing to find new revenue.

Fundamental Values

The heavy influence of advertising reflects a tension that emerges throughout the survey. Most of these respondents either work for the website of a legacy outlet or are former legacy journalists that started independent online ventures of their own. They are grounded in the more organized, traditional news model and have carried that foundation to the Web. Thus, while embracing much about new media, these journalists also demonstrate a strong belief in traditional values and practices.

With this grounding, a solid majority (57%) say the Internet is “changing the fundamental values of journalism” rather than “transferring those values online.” And the change was deemed more negative than positive.

When asked how it was altering the values, most (45%) cited a loosening of standards and less careful reporting. “It is eliminating the gatekeeper role,” wrote an editor and content manager responsible for both online and print newsroom operations, “pressing journalists to produce without the same degree of reflection and verification.”

“The focus is more on getting the news out before checking its accuracy, and this is weakening journalism’s credibility,” wrote another. “A reversion to checking and double-checking is needed, especially since mistakes can last forever online.”

The second-biggest change in values cited by respondents was one that invited a more divided reaction. Roughly a third, 31%, named giving more voice to others and reducing the clout of journalists. “The news consumer has never had a greater role in policing the veracity of what he or she reads, sees and hears,” offered an executive in charge of editorial and sales for a top local broadcast news website. Yet some saw downsides here. One content manager wrote: “It allows all sorts of unfiltered, untrained and unethical yahoos to donate public comments.”

The third category of change, cited by 25% of respondents, was the shift in values related to the growing emphasis on speed. While some noted positive implications like getting news to people faster, most spoke of immediacy becoming more important than accuracy. As one writer and producer of stories described it, misinformation “gets spread faster than a bad sexually transmitted disease.”
In what way(s) is the Internet changing the fundamental values of Journalism?

Based on those who say the Internet is changing fundamental values of Journalism [N=165]

<table>
<thead>
<tr>
<th>Change</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loosening standards/ Less carefulness</td>
<td>45%</td>
</tr>
<tr>
<td>Allowing others to have a voice (good &amp; bad)</td>
<td>31%</td>
</tr>
<tr>
<td>Emphasis on speed (good &amp; bad)</td>
<td>25%</td>
</tr>
<tr>
<td>Less analysis/ More superficial</td>
<td>11%</td>
</tr>
<tr>
<td>Advertising and business tainting journalism</td>
<td>8%</td>
</tr>
<tr>
<td>More opinion/ Bias</td>
<td>7%</td>
</tr>
<tr>
<td>Less original content/ More context-based</td>
<td>5%</td>
</tr>
<tr>
<td>MORE transparency/ Openness Accountability</td>
<td>5%</td>
</tr>
<tr>
<td>LESS transparency/ Openness Accountability</td>
<td>2%</td>
</tr>
<tr>
<td>Misc. other</td>
<td>24%</td>
</tr>
<tr>
<td>No answer</td>
<td>6%</td>
</tr>
</tbody>
</table>

Note: Total may exceed 100% due to multiple responses

Other changes cited were mostly negative: 11% said the Internet has made journalism is more superficial. “‘Good enough’ is good enough” wrote one. Journalists, wrote another, are “more willing to shoot from the hip.” Another 8% cited an increased influence from advertisers and other business-side people; and 7% said journalism now has more opinion or bias.

Thus, fully two-thirds of the changes cited here were clearly negative, while the rest were divided.

The reaction is complex one, a mixture of optimism and fear, possibility, and some regret. Many expressed in written statements the tension of both positive and negative implications in the emerging world of online journalism. “It is making it more transparent, it is making it more open to feedback and voices, it is making it more engaging and two-way, wrote one director of digital content. “But it has also cost traditional journalists their status as expert information gatherers, and that could (and likely will) have an impact on our craft in the future as well.”

And some, despite some negative implications now, sense that in the end, a better journalism will emerge: “I think we’re now more focused on quantity and speed than we are on quality storytelling and accuracy. With that said, I believe that’s going to change as the Web gets more competitive. Then, our traditional values of journalism will find their place in online news too.”

When asked specifically about what journalism on the Web does particularly well right now, these online journalists spoke more about technology than reporting. As one programmer described it, “We’re really good at putting photos, videos, articles ‘on’ the Web but really bad at understanding the Web as a medium on its own.”

Fully 91% named some aspect of technology in their responses. “Interactivity,” “driving people to slide shows,” and “data
visualization,” were among the successes named as well as “connecting viewers around the world,” and “attracting new audiences.”

Just 16%, on the other hand, cited new forms of storytelling like “really digging deep into a subject using new and creative tools at our disposal.” And even fewer (12%) named greater depth of reporting.

What Online Journalism Does Well

Source: PEJ/ONA 2008 Survey of ONA Members
Note: Total may exceed 100% due to multiple responses
One area where these journalists seem torn, but more in line with new media than old, was on the question of viewpoint. Half felt that it was “a good thing” for news outlets to have an ideological point of view and nearly as many, 45%, felt the same way about individual journalists. While not a clear majority, these journalists working in new media sense more deeply than those in the mainstream press that “it is becoming more acceptable to report news with an obvious voice or bias.” In the 2007 survey of the mainstream press, three-quarters of national journalists and 79% of local journalists said it is a “bad thing if some daily news organizations have a decidedly ideological point of view in their coverage of the news.”

**Online Content**

Online Content

The respondents’ ties to traditional reporting were also apparent when they were asked about the content itself, what they produce, and what they see as most important to their brand.

First and foremost is a clear value placed on original reporting. Six in 10 (63%) respondents ranked original reporting as the most important type of information they produce. This was more than four times that of any other type of information listed.
User-generated content, on the other hand, came in at the bottom, with nearly half of the respondents (43%) giving it one of the last two rankings. That was followed by aggregated material from non-legacy outlets, which got one of the lowest two rankings from 32% of those surveyed. Conversely, 32% placed aggregated material from legacy outlets in one of the top two rankings.
These journalists were more mixed about the value of commentary from staff. Just 4% ranked commentary by staff as the most important content, but one in five (20%) ranked it second. Another 20% ranked it last, with the rest falling somewhere in between.

Whether as commentary or original reporting, most new content is staff-produced. A majority of the new content on the site comes from their own organization. Four in 10 (41%) reported that more than 75% of the content is their own original work. Another three in 10 said this is true of more than half of their content.

Respondents did express value in newer types of communication, even if not as evident in their practice. A majority,
54%, see community-produced content on the website as “an essential ingredient for the website of the future.”

“The aggregation of many voices can statistically provide a truer picture of our world than we may have been able to know otherwise,” wrote an ONA member responsible for digital editorial content and product development for their newsroom and interactive department. Others are not so sure. One respondent bluntly stated, “So-called citizen journalism is a failure.”

When it comes to practice, the forms of citizen content appear quite limited. The most popular type cited was comments and discussion groups (56%), but these are hardly seen as the newest or most engaging ways to draw in citizens. Just 31% said community-posted pictures are a regular part of their website. Only 18%, on the other hand, use either community reporting, videos, or blogs, and a mere 3% employ community-based wikis.

And finally, these journalists expressed a solid commitment to editing. Three-quarters of these online journalists said they edit content (other than blog posts) for accuracy as well as typos. Within this statement, though, there is much
room for varying standards and practices. Definitions of accuracy may vary, and many respondents expressed specific concerns about the deterioration of strong editing.

**Distribution Methods**

Another area where these journalists have yet to embrace the most cutting-edge thinking is in their management of Web content. These members of ONA are mostly still tied to the model of bringing audiences to their own websites, rather than on pushing their content out.

Research for PEJ’s State of the News Media report finds that one of the trends in 2008 was putting more resources toward finding new ways to distribute content rather than solely drawing audiences in. Whether through posts on social media sites like YouTube and Twitter, e-mail updates or mobile delivery methods, news organizations sought ways to get their content into the online stream of information. It was no longer deemed enough to focus on bringing people in; organizations recognized the need to spend as much if not more time actively pushing their content out. Home pages were still a great place to get audiences to land, but innovators in 2008 were looking for more.

Among the ONA respondents, though, website home pages still dominate. Three-quarters of them said their site’s home page is “essential to getting their content to users.” This is nearly three times the number that named e-mail alerts (26%) and RSS (26%), both of which are also considered passé forms by many inside the technology industry. Just 9% considered posting to social media sites essential. Postings on the increasingly popular YouTube were named essential by a mere 4%. And four times as many (18%) said YouTube postings were not at all important.
But that certainly wasn’t the sentiment of all. “Help! We’re stuck in a dead-tree world and we can’t get out!” wrote one member who directs a team of reporters and multimedia producers.

Still, when asked about devoting staff time to various forms of distribution, only the oldest, most accepted forms have become a norm. Clear majorities say their staff spends time blogging (80%) and sending individual e-mails (73%). Fewer, though still majorities, spend time creating RSS feeds (59%) and using social networking tools (59%). Only half (52%) use Twitter or other micro-blogs. And less than half devote staff time to YouTube postings (41%), widgets (38%) or user-based news networks like Digg (29%).

And in the broadest form of this question, which asked whether the journalist’s Web site focused more on bringing people into their website or pushing content out, these members described their news outlets as more tied to the website model. On a scale of 1-5, with ‘one’ being a full focus on distribution and ‘five’ being a focus on the website, more than half (57%) described their news outlet as a four or a five—with 21% a full five. That is more than twice the percent that describe their approach as fully about distribution (9%).
**The State of Web Content**

*Question:* On a scale of 1 – 5, does your site expend more staff time pushing content out (distributed model) vs. producing a site for users to browse (website model)?

If not on the cutting edge, these practices do seem to fit pretty well with where respondents say their traffic comes from. Most respondents (56%) say less than half of their content comes from outside sources like search or e-mail links versus a third (32%) that get more than half of their audience from these outlets. A good number, 13%, seemed uncertain and chose not to answer.

**Profitability and Staffing Trends**

Partnerships, Profitability and Staffing Trends

One area of development in 2008 was news operations looking for ways to pool their strength. Revenue-sharing
partnerships with other news entities, distributors, advertising firms and technology companies popped up throughout the year. But among these respondents, just a third said their website is in a revenue-sharing partnership. And of those in these partnerships, most do not see them as a key to their economic stability: 45% say they will help the outlet diversify but are not essential and another 23% say they will always be of secondary importance.

The vast majority of these respondents (77%) work in for-profit models. And, contrary to what seems to be state of most online news ventures, a majority, 61%, says their sites are currently turning a profit. But “making a profit” may not be as clear-cut here as in other genres.

First, few of these sites are being forced to carry the full weight of those profits. Two-thirds of those in for-profit models (67%) say their sites are subsidized by their legacy media outlet. Less than a third (29%) are either an online-only entity or fully separate from the legacy outlet.

Looking at the biggest group—those with sites that are subsidized—59% report earning a profit. But the true meaning of profit is often murky, and may have more to do with accounting procedures than actual dollars. If most expenses, such as online staff, for example, come out of the legacy outlet’s budget, it takes little revenue to claim profit.

<table>
<thead>
<tr>
<th>Profitability of Respondents with For-Profit Websites</th>
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</thead>
<tbody>
<tr>
<td>Legacy-subsidized</td>
</tr>
<tr>
<td>Making Profit</td>
</tr>
<tr>
<td>59%</td>
</tr>
<tr>
<td>Not Making Profit</td>
</tr>
<tr>
<td>32</td>
</tr>
<tr>
<td>No Answer</td>
</tr>
</tbody>
</table>

One executive, in charge of both editorial and sales for his organization’s website, expressed the economic challenge of a news organization trying to straddle between the old and new product. “Things were getting much better, until the economic slowdown hit . . . Now most of those responsible for generating online revenue in our company—traditional broadcast sellers who had been embracing online—face intense pressure to bring back traditional dollars that no longer exist. The result is less concentration on online selling.”

Still, online-only entities or those financially separated from their legacy unit were even more likely to cite profits, fully 69%. Granted, this was a smaller group to begin with, and there could be some respondents that work for the same entity, but the high response here may provide some reason to be hopeful.

On another somewhat positive note, these respondents report that for the most part they have been spared the kinds of staff cutbacks their legacy brethren experienced in 2008. Indeed most (39%) reported staff increases compared with a year earlier, and another third said their staff numbers have remained the same. Less than a quarter (23%) saw staff decreases.

And, finally, cost does not seem to be the biggest impediment to learning new technology. While 47% named cost as the biggest obstacle, nearly two-thirds (64%) said the biggest factor was time.
“Major Obstacles” in Adapting to Technology

![Bar chart showing major obstacles in adapting to technology]

**Methodology**

**Who They Are**

As noted above, these respondents—and the ONA membership overall—tend to have the influence of traditional journalism.

Fully seven out of 10 (71%) work for websites connected to legacy media. Many (41%) work as and editor or content manager, while just under a quarter (23%) serve as directors or executives. Another 20% produce content of some sort.

Two-thirds (66%) have more than 11 years experience in a newsroom setting and 39% have more than 20 years experience. More than half, 54%, have either a bachelor's or master's degree in journalism.

The most common salary range was over $90,000 (36%) while another 32% earn the next bracket down, $50,001-$90,000.

The staffing styles are split between being integrated with the legacy staff (51%) and working separately (48%). Just
over a third of respondents (35%) have a full range of positions with specific job titles while another 36% report a small do-it-all staff. Just 10% work independently. But according to one member who oversees Web news content and displays, even staffing structures are murky. “Some days [our organization] operates as one staff, some days it’s two separate staffs. I don’t think any traditional news organization has a real handle on it.”

**Methodology**

This report is based on responses from 292 members of the Online News Association in the United State and around the world. The survey was administered online in English by Princeton Survey Research Associates International (PSRAI). The surveys were completed from January 7 through February 14, 2009.

Requests for participation were sent to a total of 1,201 individuals via e-mail, with a link to an online Web address where the survey was hosted by PSRAI. Each respondent had a unique identification number with which he or she could log in to the survey.

**Definition of Population Universe and Contact Procedures**

The universe of potential respondents was defined as journalists who are members of the Online News Association. An individual news organization can and does have more than one ONA member on staff. The invitations were sent to the individual members and not to the organizations.

ONA members were first e-mailed on January 7, 2009, explaining the study and requesting their participation. E-mail messages included a link to the online survey as well as a unique password to gain entry into the Web instrument. Follow-up e-mail messages were sent on January 14, January 22 and February 3, to those who did not already complete the survey or did not refuse to participate.

**Response Rates**

A total of 292 members of the 1,201 member list completed the survey, or 24 percent.

**Demographics**

More than one-third of those surveyed were employed by a traditional newspaper. More than 13 percent worked for an independent website, while another 13 percent were at a multi-platform network, such as ABCNews.com or CNN.com. Magazines, portal websites and wire services were the workplaces of another 5 to 6 percent, respectively, of those who were sent the survey.

**Occupation**

One-third of the survey recipients are editors or content managers; more than a quarter describe themselves as directors or managers of their organizations. Ten percent held positions as writers or reporters and another 10 percent were content producers.

**Topline**

Online Journalist Survey
Click here for the Online Journalist Survey Topline
Newspapers – Intro

Introduction

By the Project for Excellence in Journalism and Rick Edmonds of the Poynter Institute

The newspaper industry exited a harrowing 2008 and entered 2009 in something perilously close to free fall. Perhaps some parachutes will deploy, and maybe some tree limbs will cushion the descent, but for a third consecutive year the bottom is not in sight.

We still do not subscribe to the theory that the death of the industry is imminent. The industry over all in 2008 remained profitable.

But the deep recession already threatens the weakest papers. Nearly all are now cutting so deeply and rapidly that simply coping with the economic downturn has become a major distraction from efforts to reinvent the economics of the business. And even once the downturn ends, growing or stabilized revenues are no sure thing.

If the industry’s death isn’t imminent, the more pertinent question may be this: can newspapers beat the clock? Can they find a way to convert their growing audience online into sufficient revenue to sustain the industry before their shrinking revenues from print fall too far? And if some succeed and some don’t, what are the characteristics of a newspaper organization that survives and one that doesn’t?

Even if newspaper institutions do survive, moreover, will print be part of the mix – perhaps just on Sundays with newsstand-only issues the rest of the week?

Sorting out the answers requires trying to assess how much of the problems of 2008 to ascribe to the recession and how much to attribute to structural problems caused by Internet competition. The general consensus, and our own sense, is that roughly half of the downturn in the last year was cyclical, that is, related to the economic downturn. But the cyclical problems are almost certain to worsen in 2009 and make managing the structural problems all the more difficult.

Indeed, the scenarios taking shape in late 2008 and early 2009 were dire.

Several metro newspapers are threatened with closing – the Rocky Mountain News closed in February, for instance, and the Seattle Post-Intelligencer was almost certain to follow in March. There is not yet a major city without a
newspaper, but that, too, could be coming soon. Among the cities faced with that distinction are New Haven, Conn.,
whose New Haven Register is the flagship of the bankrupt Journal Register chain, and San Francisco, whose Chronicle
has been losing money for years.

Some large newspaper companies were close to failing. The Tribune Company, burdened with the huge $13 billion debt
taken on a year earlier in real estate mogul Sam Zell’s acquisition of the company, filed for bankruptcy reorganization in
December. 1 GateHouse Media was effectively broke by mid-2008, and Journal Register, Philadelphia Newspapers, and
the Minneapolis Star-Tribune went into bankruptcy early in 2009.

Most of the papers of all these companies, however, are still profitable, and could continue in business once separated
from the parent company’s debt.

In the current calculus, it does not make sense for newspapers to kill their print versions and go online-only. The Sunday
paper and some late-in-the-week issues still are flush with ads, and print still commands premium ad pricing. Papers still
make roughly 90% of their revenue from print and, although the numbers vary by paper, the cost of printing and
delivering the printed newspaper averages 40% of costs. For now, it doesn’t add up to sacrifice potentially 90% of
revenues to save 40% of costs. 2

But several papers already, and likely more in 2009, are taking the half-step of deleting the traditional paper several
days a week to save on production and delivery costs, with the hope that it will not cost them much in advertising or
alienate their print audiences. The East Valley Tribune in suburban Phoenix announced in fall 2008 that it would take
that course, and it was followed in December by the Detroit Free Press and Detroit News, which do business under a
joint operating agreement.

As a deep recession on top of the loss of print classified revenue to electronic competitors took hold in mid-2008,
conventional cost cutting simply was not enough for less profitable papers. With more of the same expected for most of
2009, the financial distress and the closings, bankruptcies and online-only experiments will spread in a widening circle.

And the trends seen in 2008 are signs of serious problems, bad in 2006 and 2007, getting worse in 2009:

● CIRCULATION: Losses continued and, in fact, accelerated to 4.6% daily and 4.8% Sunday, in the six months ending
September 30, 2008, compared to the same period a year earlier. The year-to-year losses were 2.6% daily and 4.6%
Sunday in the 2007 period compared to that period in 2006. 3 More papers plan to retreat geographically and put less
money into selling new subscriptions in 2009. The industry also continues to struggle to find a metric for total print and
online readership that will be meaningful to advertisers. The online standard – unique monthly visitors – does not
compare in frequency or intensity of attention to average daily print circulation.

But the problems were not uniform. Circulation at the three national papers (the New York Times, the Wall Street Journal
and USA Today) and at small and mid-sized papers did better than at the metros. At the metropolitan area newspapers,
losses of 10 percent or more in a single year were not uncommon. 4 A few papers showed small circulation gains in
2008, but that was very much the exception.

● ADVERTISING: This fell by 13% in first quarter of 2008. But that drop jumped to 15% in the second quarter and 18%
the balance of the year as the economic downturn kicked into full force. Problems include big losses of classifieds to
digital competitors, the real estate crash, a collapse in employment advertising, huge reverses in the auto industry and
consolidation and bankruptcies in retail. Newspapers took in $49.5 billion in advertising just two years ago. In 2008, it
was about $38 billion, a 23% decline.5

EARNINGS: They plunged. The industry remains profitable, but operating margins are dropping and now average in
the mid to low teens, and they are under much greater pressure in 2009. Even with very aggressive cutting, companies
were not able to shed costs as quickly as revenues fell away. And now some big metro papers – the Washington Post
and the Boston Globe, for instance – are just breaking even or losing money.

Some industry critics think that companies should be accepting still lower margins and investing the difference in
newsrooms and new ventures. That is a fair topic for debate. Right now, however, even profitable newspaper companies
are experiencing the compound pain of much diminished revenues and falling margins. The declines are so precipitous
that a few more years at the same pace would put some companies out of business. The stock market operates on
expectations of the future, not looking at the recent past.

OWNERSHIP: Stocks fell sharply again. Most public company shares have lost more than three-quarters of value
from their peak. Two – Journal Register and GateHouse Media – effectively went to zero. Lee Enterprises and
McClatchy were trading for less than $1 a share in early 2009.

Two numbers put that into perspective. After losing 42% of their value between 2005 and the end of 2007, publicly
traded newspaper stocks lost 83% of their remaining value during 2008.6

Several private companies seem similarly distressed, conceding that they have missed debt payments and are
renegotiating with lenders (including the Minneapolis and Philadelphia companies mentioned above and Morris
Communications, based in Augusta, Ga.).

Debt, once little more than a footnote in newspaper finances, is dragging down many companies. Any that made a big
acquisition when times were better and transactions much pricier earlier the decade (McClatchy and Tribune are the
most obvious) are hard pressed to cover or pay down the debt and have profits left over.

That has pushed the market for newspapers even lower. Many properties were put up for sale in 2008 but there were
only a few big deals completed (Newsday). Some papers companies (Ottaway and Landmark) were withdrawn from
the market. Others languish.

NEWS INVESTMENT: Drastic cuts in news staff and news space were made and more are on the way in 2009. With
cuts accelerating to match the higher pace of ad revenue decline, we initially expected newspapers had cut roughly
5,000 newsroom jobs in 2008. That number proved fairly close to the formal industry census that appeared a month
later. According to the American Society of News Editors census, 2,400 full-time professional newsroom jobs were lost
at American dailies in 2007 and 5,900 more in 2008.7 That amounts to daily newspapers losing about 17% of their
news staffs since the start of 2001. And the percentage could be even higher given that ASNE did not include those
working online at papers or at free dailies in 2001.
Higher newsprint prices (up about 25%) caused newspapers to cut back space devoted to news. Separate business and features sections disappeared at many newspapers. “Quick read” condensed papers are emerging on Mondays and Tuesdays in some markets, and a very few have stopped printing on several weekdays, asking their readers to turn online for a news report those days.

Fewer people and less space equates to significant erosion of the serious, accountability reporting that newspapers do more than any other medium.

●ONLINE: Audience as measured by unique visitors, page views and unduplicated reach continues to grow. But online ad revenues, a healthy pocket of growth even as recently as 2007, shockingly went negative (-2.4 %) in the second quarter of 2008 and for the rest of the year. A big share of this advertising is still tied to classified. Questions remain about efficacy of banners and other display formats. The supply of available advertising space is abundant online so prices are actually falling. And the downturn is causing advertisers to cut new media as well as traditional media budgets. All these factors sent the once-robust growth of online advertising into reverse.

So, to paraphrase Ronald Reagan, is there a pony in here somewhere?

On the plus side, the industry, despite a popular conception of it being in a death spiral, remains substantial and even profitable:

●Even diminished, besides the $38 billion in ad revenues, the industry represents 48 million papers sold daily and better than 45,000 professionals gathering and editing the news.

●That should be a viable business for years to come if costs can be brought under control. But controlling costs also means reducing the journalism offered, which could blunt growth online and hasten declines in print. As General Motors and Chrysler demonstrated in 2008, mere bulk does not ensure success.

●To a degree, newspapers have been adaptive. Most made strides in 2008 in breaking down walls between print and online editorial operations and strengthening their online ad sales force. Modest successes with sites targeted at moms or other narrow audiences are the more the rule than the exception. So are supplemental lifestyle publications allowing advertisers to display luxury items in targeted zip codes or sell to the health and fitness crowd.

●Newspaper organizations are also better focused now on catching the next revenue waves as they develop. They are more willing to partner with others in the industry, as in the Yahoo Partnership, to increase the volume and targeting of national ads. Serving news and advertising to mobile devices or electronic downloads to tablet formats like Amazon’s Kindle could be emerging news/advertising platforms that work for newspapers.

And yet… the big new things seem always about to arrive but end up being rolled ahead to a more distant future. Asked whether 2009 would be the year mobile explodes as a market, one agency executive joked, “I’ve believed them every year they have said that, and I believe them again.”

The industry was also late to innovate and there are questions about whether a mature industry can attract the kind of innovators and entrepreneurs that might be lured instead to Silicon Valley.
And then the financial crisis and its ripples through the broad economy will have the likely effect of slowing down the coming of the next big thing or things as it simultaneously zaps traditional revenue streams.

Some would argue that the industry cooked its goose with two bad pricing decisions years ago. Even after some modest increases in 2007 and 2008, American newspapers still are priced cheaply (less than half the cover price that prevails in Europe and Japan). Raising those rates now could prove a tough sell to budget-conscious consumers in a down economy where the newspaper’s space and staff are shrinking, but a number of newspapers implemented single-copy or home-delivery increases in 2008.

A second mistake may have been to make website content, much of it still drawn from big and expensive legacy newsroom operations, available for free. There remains some hope that Google and the rest of the aggregating gang might be persuaded to pay for what they are harvesting. But many now believe that the free content genie cannot be put back in the bottle. Search and links are how the majority of traffic arrives at newspaper websites.

This leaves the industry pinning hope on a broad view of the value of its journalism. In what traditionalists tend to dismiss as a cacophony of talking heads, celebrity infotainment, opinion-driven blogosphere exchanges and information overload, the integrity and sense-making of professionally done news should be more valuable than ever.

For the immediate future, however, the amount of this journalism that the newspaper industry will produce – down already in the last three years – will continue to shrink.

**Footnotes**


2. Trends and Numbers, Newspaper Association of America (90% revenues).
   Co-author Edmonds’ estimate based on data from Inland Press Association Cost and Revenue Studies (40% costs)


5. Newspaper Association of America, “Trends and Numbers” at NAA.org. Most recent figures are as of the end of 2007, adjusted for further losses in 2008


9. Newspaper Association of America, “Trends and Numbers” at NAA.org. Most recent figures are as of the end of 2007, adjusted for further losses in 2008

*For the year, online advertising in newspapers declined 0.4%, according to an estimate by eMarketer. The firm projects another decline in 2009, of 4.7%. That compares with an increase of 18% in 2007.
News Investment

News Investment (Updated April 23, 2009 to reflect estimates of newsroom job losses.)

By the Project for Excellence in Journalism and Rick Edmonds of the Poynter Institute

Two years ago we concluded that newsroom cutbacks had reached the point at which the ambitions of many newspapers were now diminishing.

The common claim of trimming fat no longer applied. Papers were into the bone. The result was that many had begun to concentrate their efforts on franchise areas of coverage. And the next year, that process accelerated.

In 2008, for many newsrooms, the world changed altogether.

For the year, a net of 5,900 journalism jobs were lost, about 11% of the total of 52,600 the industry was fielding as 2008 began. That was more than double the cutbacks of 2007 when 2,400 full-time professional positions disappeared in a single year. More deep cuts were in process early in 2009.
By the end of 2009, the total job loss since the beginning of 2001 will likely pass 14,000 – roughly 25% of the industry’s news workforce lost in nine years.

That number may be lower than the estimates of some sources, which simply tally up announced cuts and often do not distinguish between those in newsrooms and elsewhere. Our estimates also attempt to account for those who are hired back, often on contract or to the newspaper’s websites. Given the astonishing drop in newspaper stock prices, the industry has reached a point where companies like to publicly emphasize their cutbacks, not their rehires.

In what follows, we will not only discuss these patterns, but we also will give several examples of especially noteworthy cuts at companies or individual newspapers. We will not, however, try to catalog each big layoff of 2008 – there are just too many – and the financial pressures discussed in the economics section apply all over the country.
Instead, we will focus on what has been lost and continues to be lost in news capacity and coverage.

Among the trends of note:

- As reported here last year, metro papers have felt the financial pinch most acutely and many have pulled back from coverage (and sometimes distribution) in more distant suburbs. Phil Bronstein, then executive editor of the San Francisco Chronicle, put it succinctly, referring to a place in the Bay area: “We can’t afford to cover the Richmond City Council anymore.” As that sort of trimming picked up momentum in 2008, more and more citizens who used to have at least a small group of top metropolitan reporters watching their communities had to rely on weeklies, small dailies or simply do without.

- The year brought many deep cuts in the space devoted to news. Feature, business and even the local sections were melded or jammed into the front section of the paper. Some Monday and Tuesday papers were reduced to miniatures – on the theory that there is not much news except weekend sports – and perhaps more importantly minimal advertising – on those days.

- Newspapers that were formerly intense rivals began sharing content. Examples include the Dallas Morning News and Fort Worth Star-Telegram, which had engaged in a bitter circulation war a decade ago. The same is now happening among the three rival South Florida papers, which had conducted their own cross-county battles for subscribers until recent years. We see many more such arrangements on the way in 2009 – eliminating duplication but also the benefits of competition.

- If we saw newspapers cutting back individually in 2006, in 2008 we reached the point where news is now going uncovered. Statehouse newsrooms sit half-empty and paper after paper has closed down or cut back their state capital bureaus, a trend well documented by Rob Gurwitt in the January 2009 issue of Governing magazine. The implications are obvious – much less of the accountability reporting on state lawmaking follies that only experienced reporters with time to dig can generate.

- Much the same argument can be made for Washington and foreign coverage, trends documented by two recent PEJ studies. The big news organizations are still there doing the big stories. But the variety of perspectives from having multiple eyes on the Agriculture Department or the Defense Department or an international trouble spot is fading fast. James Warren, a former managing editor of the Chicago Tribune, argued in an online article for The Atlantic that top senior investigative reporters are departing in the wave of layoffs and buyouts. It does not mean the death of high-impact projects, but it does suggest that there will be fewer.

- A host of new operators are emerging to augment what is being lost, but our sense is that at this point the additions do not come close to the subtractions. We will close this section with a look at how well digital journalism – the newspaper organizations’ own and independent sites – are replacing the content that is draining out of print newspapers. A short answer; perhaps a substitute “news ecology” will take shape within a few years. It has not yet.

**How Many Newspaper Jobs Have Been Lost?**

The American Society of News Editors’ annual newsroom census found that 2,400 full-time professional editorial jobs
were lost in calendar 2007. Another 5,900 jobs were lost in 2008. That brought total newsroom employment at American daily newspapers down to 46,700 from 56,400 as 2001 began. 7

And early indicators are that 2009 will be more of the same or worse. In the first six weeks of the year, some papers and companies made cuts that had clearly been planned during budgeting last fall. With January 2009 advertising declines even worse than those of fourth quarter 2008, chains including Gannett, McClatchy and A.H. Belo announced downsizing plans for the year.

So by any count, the news force is being depleted at an accelerating rate. And the effects, as we will explore later, are becoming all too evident to readers. But getting a reliable and current count is trickier than it may sound. Our earlier estimate (5,000 jobs lost in 2008) when State of the News Media was published in mid-March, for instance, was more conservative than those frequently cited from the running total on the blog Papercuts.

Here is a brief explanation of why. Papercuts, started by Erica Smith, a young graphic designer in St. Louis, reported a total of 15,581 newspaper job losses in 2008 and 2,200 more through the first week of February 2009. 8

Smith gathers her data from layoff/buyout announcements, supplemented by tips from readers and then records them in map format. She includes all newspaper jobs, not just newsroom. If the paper does not break them out in the announcement, she told us, she does not know how many fall in each category. Her experience, like ours, is that accounts of actions at individual papers are often garbled on this point.

Working with these numbers for several years, we have found that the net job loss figures from the ASNE newsroom census often turn out to be somewhat less than one would infer by adding up the announced cuts and estimating smaller reductions that are not announced. We found, as did PEJ and Tyler Marshall in their study of newsroom staffing in 2008, that many papers announce and make a large group of cuts but soon after hire other staffers – younger, cheaper and with superior technology skills – especially for jobs developing websites.9

Papercuts does not attempt to measure the hires and its totals are for all announced cuts, including prospective reductions planned but not yet made.

Thus our estimate for 2008 was more than twice as much as 2007, but we doubted newsroom losses would tally close to the 15,000 charted at Papercuts, or even 10,000. But they were plenty bad, and Papercuts is a documented and easy-to-search resource for specifics. When the industry's annual census was completed in April, it was far closer to our estimate than the unverified total at Papercuts.

Newsroom Cuts of Many Shapes and Sizes

To understand the cuts and begin to grapple with their implications, it may be more helpful to focus on a few major cases rather than to try to refine a long paper-by-paper list of newsroom cuts.

The Los Angeles Times – Wave After Wave. As last year's edition of this report was being completed in February 2008, the Los Angeles Times cut 40 positions from its 900-person newsroom staff. It was by no means the first such move. The paper had more than 1,100 journalists in 2003. After clashing with Tribune Company managers over cuts
and whether there was a clear plan for the future, two highly esteemed editors – John Carroll and his successor, Dean Baquet – had quit or been fired. Baquet’s successor, Jim O’Shea, quit just in advance of the February announcement.

Then in July, 135 more newsroom jobs were eliminated (and pages published per week were reduced by 14 percent). Then in October, citing a weakened economy, the Times cut another 75 in its newsroom. In February 2009, as a deeper recession settled in, came yet another announcement of a cut of 70 more news jobs.

That brings the news staff to about 570 from 1,200 in 2001 – roughly halving the news effort.

It is certainly possible to publish a daily paper even about sprawling Los Angeles with a staff of fewer than 600. Many superb journalists remain. The L.A. Times was late in developing its website but was able to make big progress in its offering and traffic during 2008. So positive thinkers in management urge the remaining staff to look at resources still there rather than those that have disappeared.

But this is manifestly a different newspaper than it was six years earlier. Ambitions to rival the New York Times as tops in the United States, or compete with the Times, the Washington Post and the Wall Street Journal as papers of national rank, are gone. A Washington bureau equal in size to that of the New York Times was merged into a corporate Tribune bureau, and a subtext of the merger was to diminish the influence of the Times culture and personnel. There has been a steady drain of the top health and science writers who brought the paper several Pulitzers for long-form explanatory pieces earlier in the decade. California and extended metro coverage have thinned. A good many of the paper’s best known reporters and editors are gone. The people at the top of the paper are relative newcomers.

The Star-Ledger – The Ax Came Suddenly. The Newhouse family’s Advance Publications has a well-earned reputation for improving its papers over the last 20 years with strong editors and generous staffing. Profits, though not disclosed by this very private company, are believed to run well below the industry norm with steady investments in editorial quality.

But by 2007 and early 2008, Newhouse metros like the Cleveland Plain Dealer and the Oregonian were implementing newsroom cuts, if not draconian ones, along with the rest of the industry. The Star-Ledger, in Newark, N.J., did not, honoring an informal understanding with its non-union employees that it would not lay off any of them.

Then with a bang, the company reversed field in late July 2008. It announced that it needed to reduce total staff by at least 20 percent, including 100 jobs in the newsroom. It also demanded that union employees give up scheduled pay raises and make other concessions. Unless both goals were met within a three-moth window, the paper and the smaller Trenton Times would be put up for sale or close, the company said.

The Star-Ledger did meet its goals and has continued to publish. A buyout offer was oversubscribed, and the paper ended up parting with 150 news staffers – about 40 percent of the total going in.

But if the L.A. Times and the Star-Ledger are examples of large metros that have newsrooms that are now structurally different than only a few years ago, they are not alone. The San Jose Mercury News, Dallas Morning News, Philadelphia Inquirer, Hartford Courant, San Francisco Chronicle and Baltimore Sun are among those whose newsrooms are now roughly half what they once were.
Other news staff reductions are large, but not as great. The Washington Post, a paper that is currently run at a break-even level and whose managers have tried hard to maintain quality, has squeezed 100 jobs out of the newsroom in 2008 after smaller cuts in 2006 and 2003, a total loss of about 23%. 14

The Press-Telegram of Long Beach, Calif. – Outsourced. Long Beach hasn’t been described as a boom town anytime lately, but it is still a city of nearly 500,000 with its local paper, The Press-Telegram maintaining a circulation of about 78,000. (Both the Los Angeles Times and Orange County Register circulate there, too.)

So it was a civic shock when parent company MediaNews (owned by Dean Singleton) announced that the paper’s publisher and managing editor had been relieved of their jobs, their duties transferred to another MediaNews property, the Daily Breeze in nearby Torrance. Additionally, the company announced, the Press-Telegram’s copy desk would be shut down and stories would be edited at the Daily Breeze.

The city fathers, already unhappy with earlier cuts, discussed pulling local public notice advertising as a protest. This led to a bizarre scene at a City Council meeting in which the executive editor, Rich Archbold, and several dozen staffers pleaded with members not to do it. One copy editor wept as she testified that she was unsure whether she would still have a job and be transferred to Torrance. "I know how to spell your names," she said. 15

There was an element of fleeing the union in the move, and it was denounced both by the Newspaper Guild and the American Copy Editors Society. Singleton continues to praise editorial outsourcing, abroad if necessary, as a necessary response to difficult financial times. The company has made a pattern of acquiring papers concentrated in a few metropolitan areas and centralizing editing operations (the same thing has occurred in the San Francisco Bay Area).

The idea has gained only limited traction to date at other companies. Meanwhile, the citizens of Long Beach, as is true of people in various Bay Area communities as well, have a local newspaper only partly produced locally.

There are obvious perils here. Newspaper history suggests readers may revolt against such distant papers. And the chance for local interests to create a rival Web-only alternative is now greater. But the economies of scale, on the balance sheet, are obvious in difficult times.

Gannett’s 10 Percent Solution. Gannett had been making newsroom cuts piecemeal at its 85 community papers and occasionally at USA Today, too. Then in October 2008, the nation’s largest newspaper company got systematic about it.

Gannett announced that its workforce would be reduced by 10 percent – roughly 3,000 workers – by the end of the year. 16 The company did not specify how many of those would be in the newsroom (though hard times have led Jim Hopkins, a former news staffer, to create a Gannett blog tracking the details).

The corporate directive style continued in early 2009, when Gannett announced that every remaining employee, including CEO Craig Dubow, would be required to take one week of unpaid leave in the first half of the year. 17

McClatchy took a similar tack, mandating a 10 percent workforce cut (1,400 jobs) beginning in June 2008. 18 A.H. Belo, a spinoff company with only newspapers and initially no debt, has announced two major job- and cost-reduction programs in its first year – 500 jobs in July 2008 and another 500 in January 2009, a total of more than a quarter of the
Are more such target-number cuts from more companies in the offing? Undoubtedly.

Some exceptions. The New York Times (100 positions) and the Wall Street Journal (50 positions) each had small buyouts programs in the course of 2008. But the Journal boasted of increasing the staff and space for expanded international coverage. The Times adds blogs and multimedia content to its main news website at a brisk pace and has a research and development team refashioning its news report for mobile devices and downloadable electronic editions.

Small papers, as noted in the economics section of this report, are doing much better than metros and mid-sized papers. They were not immune from cutbacks in 2008, but our strong impression is that the rate of loss is considerably less.

Conversely, the average losses understate the impact at metros. The cuts are deeper and the new waves come after shorter intervals. It is no mean task for demoralized reporters and editors to continue to do their best work living under the volcano.

By late 2008 and early 2009, the Associated Press and Bloomberg had announced limited hiring freezes. Until then, however, they – along with ESPN – have been bucking the industry trend, increasing news efforts robustly as the rest of the industry shrinks. Collectively, the AP, Bloomberg and ESPN employ easily 5,000 journalists. They are not included in the ASNE count. The AP’s generous staffing has an element of controversy, especially since editors at a number of AP’s member-owner papers were in open rebellion during 2008 over high fees for content with which they were dissatisfied.

News Space and News Staff Decline Together

When PEJ surveyed 259 newspapers in early 2008, 59 percent reported reductions in staff, but even more, 61 percent, said that less space was being devoted to news. In the year since, nip-and-tuck procedures have given way to amputations. The number of papers, and the size of those reductions, have been much greater.

In December 2008, editor Tom Callinan of the Cincinnati Enquirer, not the heftiest of the papers in the first place, told an alternative paper that the Enquirer was eliminating six pages of news space in its Sunday issue and 30 pages per week the other six days. The move would probably eliminate most lifestyle and features content, he said.

What always had the potential for a reinforcing loop has now become reality: space and staff are falling quickly in tandem. With less news space, papers do not need as many reporters and editors; with fewer journalists, the papers need less space to display their work. While the cutbacks may be unavoidable, they become part of a reinforcing downward spiral. At some point, restive readers conclude that there is not much news there anymore, that the newspaper, already something fewer people wanted in print, is just not as worthwhile anymore. We believe that a number of American papers have reached or passed that point – and that skimpiness drives a share of circulation losses.

Two space-saving reductions were especially common in 2008. As papers trimmed away even more of their daily stock
listings, there was not enough editorial material and advertising to fill out a six-page section. So business sections began to get folded into the front section or local news section.

Similarly, daily features sections, often padded with outsized picture packages or pick-ups from other papers, were deemed expendable. The St. Petersburg Times was among many papers folding daily fronts and separate sections for both business and features. Top editors Paul Tash and Neil Brown explained the result: business and features would still have their own display sections Sunday when readers have more time; a weekly food section and entertainment tabloid would remain. Otherwise, those staffs were encouraged to produce stories that could compete for a place on the front or local front of a weekday paper; some of the rest of what they had been doing could be reduced to brief treatment inside.

Brown also said that focus group research showed that the traditional full-menu six-section daily was more than most readers – at least those who work – want in the busy first days of the week.

So at a paper with a traditionally big news report, some carefully executed cuts may have more minimal effect. At others, less has been less for years now, and each new reduction makes for a quicker and less satisfying read.

This kind of scaling back may require a more thorough rethinking of how the newspaper should be written than is taking place. If a newspaper is smaller, what is the optimal shape of that? Should all stories simply get shorter? Or should the medium-size story be sacrificed instead, so that paper that is a rich but less time consuming read is constructed with a key group of longer stories, and many more very short stories that summarize events in brief – perhaps with longer versions of some on the Web?

A PEJ content study of a new breed of commuter papers a few years ago suggested that more very short stories – easily readable in two or three paragraphs – leaving room for real depth in others but eliminating the middle ground, might be a more satisfying alternative.

It is unclear to what extent papers, amid the economic crisis, are rethinking the way the paper is written or is just adjusting day by day to shrinking space.

**What Coverage Is Being Lost?**

We took a detailed look in last year's report at some areas of coverage commonly being cut back and that was reinforced in PEJ's special study of the changing newsroom.

All those trends continued and accelerated through 2008 and early 2009:

- Much less coverage of exurban areas, distant suburbs and rural communities. The Omaha World-Herald, for example, had long styled itself a statewide paper for Nebraska. It announced in late 2008 it was giving up both circulation and coverage of most of that area.

Metros, to varying degrees, have pulled back circulation and news effort anywhere slightly distant from their core. James Rainey, media writer for the Los Angeles Times, recalled that when he joined the paper in the 1980s, there were
bureaus with eight to ten reporters scattered through the region. “We had a guy who had covered the Kremlin for UPI in our bureau,” Rainey said. “I covered Culver City [a city where the movie studios were located in the middle of incorporated Los Angeles], but I was the No. 2 behind a more senior writer. Now all those bureaus are gone, and I would be surprised if we ran more than two or three stories from Culver City in a year.”

To those who ask what would happen if the local newspaper disappeared, this trend constitutes a sneak preview. Thousands of municipalities and millions of citizens are now doing without the watchdog/accountability reporting that experienced metro reporters provided just a few years ago.

Statehouse and Washington coverage are both been reduced to a fraction of what they once were. The movement began earlier but picked up a lot of steam with the cuts of 2008.

Rob Gurwitt opened a survey story in Governing magazine on declines in legislative coverage with this: “If you want to know what the dying days of a journalistic era look like, mount the marble steps to the fourth floor of Connecticut's grand old State Capitol, climb the narrow stairway to the pressroom, and you'll see. Mostly, it looks like a mess.

“In a large room whose inhabitants once joked that someone always had to be out reporting for everyone to fit inside, space is no longer an issue. The New York Times hasn't had anyone here for over a year and a half; its desk is piled high with mail for various Times reporters who have long since moved on to other beats. The vacated Norwich Bulletin desk has become a repository for stray press releases. The Greenwich Time and Fairfield Bulletin desk hosts a collection of Coke and Dr. Pepper bottles that await recycling.”

The Harford Courant still assigns several reporters. An energetic young blogger takes up some of the slack. But the “ultimate indignity,” Gurwitt wrote, came in March 2008 when the New Haven Register fired 20-year veteran Greg Hladky, the dean of the Capitol press corps, and did not replace him.

The Connecticut story is being repeated around the country, Gurwitt concluded. There is still some coverage and digital alternatives are beginning to emerge, but the depth and breadth of just a few years ago are gone.

Washington coverage is similar. The big bureaus are still there but often a lot smaller. Tribune’s merged bureau has 35 reporters in early 2009 compared to 95 at the start of 2008. Careful attention to congressional delegations or individual federal departments is on the wane. They are watched – but with fewer eyes.

Newhouse and Copley have closed their bureaus in the last year. A PEJ study in February 2009, found that only a third of daily newspapers that had their own bureau in the 1980s still maintain one. More than half the states do not have a single newspaper reporter dedicated to covering federal government.

Despite the reduced newspaper presence, the total number of reporters on the Washington scene has stayed close to even. But that is thanks to a surge of foreign correspondents and steady growth of professional information services like CQ. Neither group’s work is readily accessible to the general public.

The New York Times Washington bureau chief, Dean Baquet, commented, “It concentrates knowledge in the hands of those who want it to influence votes. It means [for example] the lobbyists know more about Senator [Richard] Shelby
than the people of Alabama. That’s not good for democracy.”

Most metros have closed all their foreign bureaus by now. Some that used to have multiple foreign correspondents – like the Chicago Tribune and Los Angeles Times – continued to downsize their foreign presence in 2008 and early 2009.

● An assortment of specialty reporting is vanishing from most papers. Many have eliminated most of their local arts and culture staff, farming out what coverage there is to freelancers. Science writers and special weekly science sections were once standard in metros. Now both are rare except in the half-dozen biggest papers. Health and fitness, environmental reporting and the occasional story on local university research is the substitute. Feature writing, columns and business reporting are all being pruned.

● Copy desks are smaller, younger, less rooted in the community. Readers notice a rising tide of typos and substantive blunders. It is truer than ever that if you are a local mover and shaker you need to make a point of not dying on a Sunday – the skeleton crew putting out the Monday paper won’t know who you are.

● Space for international and national news is scaled back at all but the biggest papers. Many now aim to fill their front page with staff-produced stories, and continuation jumps take up some of the inside space in the section. The national/international report may be squeezed down to a handful of top stories and some short-item summaries.

As we have commented in earlier editions of this report, there would seem to be unarguable logic to the movement for a local-local emphasis in most papers. An up-to-the-minute and free national/international report from multiple sources is easily accessible on the Internet. The newspaper’s core competence, the reasoning goes, is a uniquely strong report on the local scene.

In practice, we find many metro papers stepping back a bit from the brink of an all-local emphasis. People who like newspapers seem to like their newspapers’ selection of the most relevant news from everywhere. Joel Kramer, an experienced editor and publisher, who launched the online only MinnPost.com, said one of his big surprises in his first year was that national and international content was popular. 26

In summary, readers enter 2009 being offered daily papers with less of everything – breadth, depth, quantity and polish. More cuts surely await, and it is hard to envision which staples of the traditional paper are next on the hit list.

Content Sharing Takes Hold

In August 2008, a big regional story created an unusual moment for Texas’s two largest papers, the Dallas Morning News and the Houston Chronicle. A church bus carrying Vietnamese Christian children from Houston to a religious retreat in Missouri crashed north of Dallas, killing 15. In flush times, staff from each paper would have leapt into action, fanning out to create a complete and multiday package of coverage.

Instead, editors at the two papers with different owners agreed informally to share content. Houston would emphasize stories of the families and church. Dallas would focus on the crash and subsequent investigation. Supplemented by Associated Press photos, each paper had comprehensive coverage for several days without having to send a reporter across the state. 27
Later the same month, three competing papers in South Florida — the Palm Beach Post, the Sun-Sentinel in Fort Lauderdale and the Miami Herald — announced a formal pact to share routine stories rather than duplicate staffing on them. As with the Houston and Dallas papers, each has a different corporate owner.

More such arrangements followed quickly:

- The St. Petersburg Times and the Miami Herald merged their bureaus in Tallahassee, the Florida state capital. The team hit the ground running with a series of exposes about the incoming House Speaker that led him to step down from the post.
- The Washington Post and the Baltimore Sun agreed to share coverage of the section of Maryland lying between the cities.
- The Dallas Morning News and the Fort Worth Star-Telegram agreed to share coverage, including some of professional sports, an odd-couple pairing since the two papers had competed fiercely for circulation in suburban Arlington a decade ago.
- The Philadelphia Inquirer and the Pittsburgh Post-Gazette agreed to share news schedules and stories except for exclusive investigations.

We expect to see such combination spread quickly through the balance of 2009. They are a cost-saving efficiency. Besides, costly circulation wars are a thing of the past, and bragging rights about being the first or the best are also an expendable luxury. Some edge of competition is being lost but so is a lot of duplicated effort.

The sharing efforts also may be laying the ground for an end-around of the AP, which many metro editors complain is too expensive and ill-focused in the news report of its state bureaus. That was the motivation of a group of six Ohio dailies that began sharing content in 2008.

For all these reasons we expect the content-sharing movement to gain momentum quickly through 2009.

**Online – Making Up Some of the Difference**

It wasn’t many years ago that we shared a common criticism of newspaper websites for near-total reliance on so-called “shovel ware” – recycled content from that morning’s edition. A 2004 study at the University of Texas found that 18 of 30 papers did not meaningfully update their home pages during the course of the day.

Today that would be a misimpression. The shovel ware term itself has faded. The typical metro site regularly breaks news first on its website, adding details and perspective for the print edition rather than vice versa. There also has been a proliferation of “Web-native” features – blogs, video reports and reader contributions of photos and comments.

However, we are unaware of any attempts – by individual newspapers, the industry or scholars – to add it all up. How much content is there on a typical site that one would not have found two or three years ago?

Web audience metrics are slippery and taking a measure of content even trickier. By counting column inches, you can
determine that a paper, for instance, may have eliminated 20% of news space. But there is no agreed-upon measure of the extent of a daily Web report. The report is growing at most papers, but we are unable to say by how much.

Similarly, discussion chains or a variety of local and national video news features are meant to make sites “sticky,” holding visitors longer. In fact, however, average time on sites is falling at a majority of papers, probably because tagging content and other search engine optimization devices is drawing more users via search who only read an article or two, not the whole paper.

Web design is improving but uneven. The biggest sites like those of the New York Times and the Washington Post are easy to navigate and easy to read. Others rely on templates that have become outdated and inflexible even after just a few years. Some discussions of newspaper business models treat online production as if it were free, which it is not. Some companies are finding it hard now to put together funding for “back end” improvements of their websites, and it shows.

And online breaking news is not without issues – for instance, reconciling pressure to be quick with adequate vetting of reports for accuracy and context.

There are two other factors to consider when asking whether digital is making up for losses in print. User-generated content is a staple on most newspaper websites and the mainstay of specialty sites like those for moms. Much of it is light, like pet or party pictures. Discussion/debates can draw a high volume of comment but are notorious for veering off subject or degenerating into nastiness.

New formats including searchable databases and mapped presentations can deliver valued information in nonstory form. A few papers – notably the Fort Myers (Fla.) News-Press – are harnessing hometown resident expertise to collaborate with professionals on investigations.

Over all, though, we think it safe to say that there is not much overlap as yet between the content that has gone missing from print papers and what users are inclined to volunteer. You’re not likely to find an informed and unbiased science story or well-versed coverage of the state legislature offered by an unpaid contributor.

One innovation of recent years is promising. Several cities now have online-only news publications. The best known – MinnPost.com and Voices of San Diego – are not as comprehensive as a newspaper but shrewdly focus their local resources on exactly the serious topics that metros are letting slide. Another set of startups – ProPublica, GlobalPost, a Kaiser Foundation news service on health policy, regional investigative units in New England and California – generate specialized reporting, in some cases sharing the work with established newspaper or television outlets. There is a Special Report on these efforts here.

Much of this work is nonprofit but not all. For instance, Pegasus in Dallas offers a feature on its site in which users volunteer some personal information and agree to let their reading choices be noted and analyzed electronically. In time, they get a version of the site with displayed stories and advertising tailored to their interests.

These are encouraging developments, and 2009 may provide the test of whether more come together quickly as traditional metro papers weaken further or even close. This year’s roster is not greatly expanded from last year’s,
however. It may be that impactful independent news ventures require just the right combination of philanthropy and strong leadership and will stay comparatively rare.

A more optimistic reading is that we are seeing the beginnings of a new news ecosystem in many communities. A newspaper is part of it, but not as central as it once was and likely to continue shrinking. Alternate sources – public radio, blogs, and free-standing websites – provide a supplementary or substitute news report.

Right now, however, the new is not taking shape as quickly or providing the substantive coverage that is fading in newspapers. Civic life will be the poorer if current trends in news investment simply run their course.

Footnotes

1. The estimate of 5,900 newsroom jobs lost in American newspapers was updated with data from the 2009 census performed by the American Society of News Editors and released April 16, 2009. The estimate used in this report at its release in March was 5,000. We have updated the narrative and charts to reflect this figure, as well as our projection for jobs that will have been lost through 2009.


3. Phil Bronstein, Interview with Rick Edmonds, September 2007


8. Erica Smith, “Papercuts,” graphicdesignr.net. Also Smith, interview with Rick Edmonds, February 2009


Ownership

By the Project for Excellence in Journalism and Rick Edmonds of the Poynter Institute

For decades, the newspaper ownership story was one of consolidation – big companies like Gannett swallowing up smaller ones. Then for the last several years the momentum reversed. Big public companies, including Knight Ridder and Tribune, came apart and more than 10% of the industry passed back into private hands.

And 2008 marks a phase that may persist a while. It was the year no one seemed to want to buy newspapers any more.

Not that there weren’t plenty for sale. At year’s end, those on the block included the San Diego Union-Tribune, the Portland (Me.) Press Herald and the Austin American-Statesman (along with several other Cox papers). Landmark Communications papers – the Virginian Pilot in Norfolk, the Roanoke (Va.) Times and the Greensboro (N.C.) News-Record – went on the market in January 2008, but were withdrawn later in the year for lack of buyer interest. News Corp. tested the market for the half-dozen Ottaway papers it had not sold already and then decided to wait for better times.
There was a single notable exception. The Long Island paper Newsday was sold in May to Long Island-based Cablevision for $650 million with competing bids from owners of the New York Post and the New York Daily News.  

Why did the market dry up so abruptly, when some of these papers could have presumably be purchased at relatively low price? There were obvious and not so obvious explanations. Top of the list was the dismal state of the business – advertising revenues in steep decline and certain to get worse in 2009 before (and if) they get better later. Nor, significantly, were there obvious turnaround strategies new owners might employ if they chose to take on a property at a bargain price.

To add to the flashing danger lights for prospective buyers, two private groups that had acquired metro papers in recent years – Avista Capital Partners in Minneapolis and Brian Tierney's investor group in Philadelphia – were both struggling to make interest payments from their cash flow and comply with other conditions of their loans. Avista's Star Tribune and the Philadelphia newspapers both filed for bankruptcy protection in early 2009. Financial markets have made credit tight, so a prospective buyer might have difficulty obtaining financing even for a still profitable paper in an attractive local market.

The notion persists that nonprofit ownership could be an alternative, given the deterioration of the for-profit business model for the industry. But the current volatility of the business and the scope of the industry’s challenges would put any investor’s money at risk, even one willing to forgo profits.

And by our reckoning, there is a significant question about whether the nonprofit model could supplant commercial ownership. How many communities could muster the tens or hundreds of millions in nonprofit capital needed to buy a newspaper and similar amounts to absorb potential short-term losses and invest in improvements?

For the moment, two other trends became features of newspaper ownership. In 2008, two public companies split in two. A.H. Belo took the Dallas Morning News and three other newspapers to a new company, leaving its collection of local television stations in “old” Belo. E.W. Scripps worked a variation, leaving its 15 newspapers and 10 local television stations in the legacy company while spinning its successful and fast-growing cable networks like HGTV and the Food Networks into a new company, Scripps Networks.

The transactions left the new companies debt-free and able to focus on transition to new business models. But with weak operating results in the second half of 2008, neither got much buy-in from Wall Street. Scripps then closed the Rocky Mountain News in February 2009 after it was unable to find a buyer for it.

The other phenomenon of 2008 was the busted company but with individual newspapers still operating at a profit. Tribune Company, which filed for Chapter 11 bankruptcy protection in 2008, was the most conspicuous case. Its papers – the Los Angeles Times, Chicago Tribune and others – are not as profitable as they used to be, but still make money, just not enough to cover the staggering $13 billion debt obligation real-estate mogul Sam Zell took on when he took the company private a year earlier.

Among public companies, Journal Register and GateHouse media closed 2008 effectively worth nothing, and Journal
Register filed for bankruptcy in February 2009. Once high-flying Lee Enterprises also saw its stock plunging to near-zero value as it had difficulty negotiating extension of one of the loans it used to buy Pulitzer in 2005. Debt obligations were also weighing heavily on some private companies like Georgia-based Morris Communications and, to a lesser extent, Dean Singleton’s MediaNews (in which Hearst holds a large position and an option to buy a controlling share).

An assortment of scenarios will play out at these companies and others in 2009. These include closing of some of the weaker papers or selling some and applying the proceeds to saving others. Some companies will operate under more explicit directives from lenders (not that they know any better than management how to turn the business around).

Without buyers in sight, it will typically fall to current owners (and their lenders) to do the best with what they are stuck with, playing out the present industry contraction and search for a lift in revenues to its conclusion.

Begging for Buyers: Paper by Paper

The lone 2008 financial highlight on the acquisition front was Tribune’s sale of Newsday to Cablevision for $650 million in late July. In a year when many papers for sale attracted no buyer interest, Newsday was the exception. The Long Island tabloid would have had operating synergies if combined with either the New York Post or the New York Daily News. Both Rupert Murdoch’s News Corp. (owner of the Post) and Morton Zuckerman’s Daily News were runner-up bidders at $580 million.

The attraction for Cablevision was less obvious, though not without some business logic. With 3 million cable television subscribers on Long Island, the company could use that base to sell newspaper subscriptions and sell advertising packages including both platforms. The combination might also offer possibilities for an Internet service provider experimenting with incorporating some subsidy for Web content into its access fees. The company’s controlling family – CEO James L. Dolan and his father, Charles F. Dolan – have acquired an odd mix of businesses through the years including the New York Knicks basketball team and the Sundance Channel. It is inferred that with deep Long Island roots, they also simply wanted the prestige of owning the newspaper as Rupert Murdoch had coveted the Wall Street Journal.

The Newsday deal worked even in bad times: with a traditionally profitable paper in a strong market and suitors rich enough to absorb weak results or even losses for several years. None of that came together in timely fashion for the many other newspapers on the block in 2008.

A group of Maine citizens, including former Senator and Secretary of Defense William Cohen, reached a tentative deal to acquire the Portland Press Herald and several smaller papers from the Seattle Times. But as a deadline passed at the end of December, the group had not been able to nail down financing.

Similarly Landmark Communications announced that it had a buyer for its Virginian Pilot in Norfolk, but later canceled the deal because of the potential buyer had difficulty borrowing after Wall Street’s reverses. Landmark had earlier pulled the Roanoke (Va.) Times and the Greensboro (N.C.) News-Record off the market for lack of buyer interest.

The biggest paper for sale was Copley’s San Diego Union-Tribune (24th in daily circulation). A decade ago, both the Los Angeles Times and the Orange County Register would have been eager to annex the huge market to their south.
But with the Times caught up in the Tribune bankruptcy and the Register’s parent, Freedom Communications, under financial pressure and selling newspaper properties, neither emerged as a buyer – nor did anyone else.

A final test case for how hard it may be to sell a newspaper was the Austin American-Statesman, which went on the market with several of Cox’s community newspapers in mid-August. Besides the stable base of a huge university and state government, Austin is home to Dell computer and assorted other high-tech enterprises – an ideal fast-growing city market, in short. Five buying groups have expressed interest but no deal has yet been struck.

While not exactly a sale, two newspaper companies – the New York Times and Media General – did attract an aggressive minority shareholder, sometimes the prelude to putting a company in play as happened a few years back with Knight Ridder. In each instance, the stock purchase was by Harbinger Capital Partners and Firebrand Partners, two high-profile hedge funds. They accumulated 20% of Times shares by early 2008 and were rewarded by two seats on the board (in exchange for withdrawing a competing slate) in March.

Harbinger/Firebrand’s position was that the Times needed to sell off old media properties and put the proceeds into digital acquisitions or start-ups. Some analysts spotted a hole in that logic early on. Old media properties were trading at depressed prices (and that was before the worst hit), while any substantial digital enterprise commanded a premium. So moving fast to change the mix of properties would trade away revenues and earnings for uncertain future prospects.

The Times management also countered that it was already doing what the insurgents asked – gradually moving to digital, selling television stations and other holdings along the way. The Times closed the year by announcing it would borrow up to $225 million against the value of its new high-rise office building and putting its stake in the Boston Red Sox up for sale. So dire was its situation that an article in The Atlantic mused about its imminent demise – something the paper and other analysts dismissed.

The Harbinger team took essentially the same approach with the same timing in acquiring a 18% share of Richmond-based Media General, a mid-sized collection of mostly Southern newspapers and local televisions stations. With support from longtime minority stake holder Mario Gabelli’s firm, it won three seats on the board in April. But by November, there was little sign that the company was embracing the Harbinger agenda and the insurgent group sold off nearly half its stake.

Both the Times and Media General have family control of voting stock. They could not ignore their unwelcome associates, but, in the end, had the votes to stay on their preferred course.

**Mega-Deals Revisited**

We wrote a year ago that Sam Zell’s purchase of Tribune and the acquisition of Dow Jones, publisher of the Wall Street Journal, by Rupert Murdoch’s News Corp. showed that at least two money men had faith in the industry and were ready to put billions behind it.

The Murdoch bid had played out as high corporate drama with his premium $60-a-share offer gradually wearing down resistance among some members of the Bancroft family, which had majority control of the voting stock. The sequel in the 18 months since has been less than tumultuous.
Murdoch did not, as some of his critics feared, gut the Journal, make it tabloid flashy or use its pages to push pet political causes. He had promised investments in editorial improvement and did indeed increase the space devoted to foreign news.

Not that Murdoch took a hands-off approach. He worked frequently from an office at the Journal. He parted ways with managing editor Marcus Brauchli (who landed on his feet later in the year as the executive editor of The Washington Post). In Brauchli’s place Murdoch installed Robert Thomson, a fellow Australian and former editor of the Times of London.

Those who thought Murdoch’s Journal would take on the New York Times for primacy as a general interest newspaper found some evidence as it pushed coverage of the presidential race out to the front page daily. In truth, though, the Journal did not come close to matching the breadth of the Times’ political coverage. Conversely it excelled, as one might have expected, at digging out some of the more arcane details of derivatives and hedge funds – the leading edge of the 2008 financial industry collapse.

There is doubtless more to come, but the Journal closed 2008 looking much the same as it had in mid-2007 – with some of the more conspicuous changes like re-sectioning and the Saturday edition the work of the previous regime.

Zell’s Tribune was a very different story – a painful downward spiral that began just days after he took control in December 2007. Zell, candid and reasonably accessible, admitted the obvious – his winning bid for the company was made just as newspaper advertising turned from soft to tailspin.

Zell’s get-acquainted tour of his properties included several jolting exchanges. He cursed out an Orlando Sentinel photographer after she had criticized running “puppy dog” pictures. He told the chain’s Washington bureaus that they were balkanized, way overstaffed and producing a large volume of journalism no one cared about. “This is the first unit of Tribune I’ve talked to that doesn’t generate any revenue,” he said. “So all of you are overhead.”

Soon after, Zell installed Lee Abrams, one of several recruits from the radio industry, as “chief innovation officer.” Abrams’ lengthy, stream-of-consciousness “think piece” memos urged the troops to aim for splash and excitement. Several of the Tribune papers quickly executed redesigns in roughly that spirit, emphasizing bold photos and infographics, while scaling back conventional stories. Dismayed reader reaction to some of this new look, especially at the Tribune, led to promises of more retooling.

Zell’s promotions also led to a notable exodus of some of the corporation’s most experienced and senior talent. Editor Ann Marie Lipinski and managing editor George de Lama of the Chicago Tribune resigned within months of each other. Los Angeles Times editor Jim O’Shea and Baltimore Sun editor Tim Franklin also left later. Los Angeles Times publisher David Hiller and Chicago Tribune publisher Scott Smith, both longtime Tribune Company executives, also resigned. At least some insiders say the company also expunged many of the remaining Times Mirror managers and newsroom leaders and the influence – and tension – they represented. Many of the people atop Tribune are figures with relatively little record in the newspaper industry.

Tribune has now stopped reporting its financial results but in its final release for the first two quarters of 2008 said that it was roughly tracking the downward course of the industry. For the second quarter, it reported cash flow of $221 million
on revenues of $1.1 billion, but nearly all of that was needed to cover interest payments. 9

As results deteriorated and more debt deadlines were looming for 2009, the company filed for Chapter 11 bankruptcy protection in early December. So now both a creditors’ committee and the bankruptcy court will have a say in conducting the company’s affairs in the coming year, but it is too early to say what further disruptions that may bring to the company’s newspapers.

Some tensions were beginning to emerge under the new Newsday ownership as well. In January 2009 editor John Mancini and two managing editors staged a five-day walkout after being pressured to soft-peddle a story about accusations of sexual harassment against a New York Knicks player. (The team is owned by Newsday’s new parent company, the Dolan family’s Cablevision).

The top editors stayed out during both the dramatic rescue of the people aboard the airliner that crashed in the Hudson River and President Barack Obama’s inauguration, but they prevailed in their insistence on editorial independence – at least this round.

**Nonprofits and the Future of Ownership**

The events of 2008 and early 2009 keep alive the question of whether nonprofit ownership could be an alternative model for newspaper organizations. It is certainly fair to say that many places the traditional for-profit structure is now failing to support the traditional editorial mission of newspapers. It is also fair to speculate that if owners were not obligated to pull out substantial profits from diminishing revenues, they would have that much more money and flexibility in finding their way to new business models.

It is not so simple, however. Even a newspaper owned by a nonprofit has to peel out some earnings for investments in the old print product and new ventures. And a lightened commitment to turning a profit earns an organization no exemption from difficult industry trends. The St. Petersburg Times, owned by the nonprofit Poynter Institute, for instance, contended with an even worse than normal-for-the-industry downturn in real estate and related advertising as did other Florida papers.

There is another difficulty journalistically. The executives of a nonprofit news organization (or community investment groups indifferent to profit) may be prone to stumbling into business mistakes or editorial conflicts. While some critics always worried about advertising wielding influence over the news. But most publishers always have understood that newspapers had so many advertisers that no single advertiser, or even group of them, could wield undue influence. That insulation is gone in a nonprofit arrangement if the funder has its own political or civic interests, and some other new firewall would need to be developed.

There is also no obvious roadmap for transition from for-profit to nonprofit status. Unless the owner is ready to give the property away, who will pay a fair amount (or figure out what is a fair amount)?

Our sense, thus, is that the nonprofit sector is gravitating toward targeted and smaller scale online-only ventures unburdened by the traditional cost structure of existing newspapers. We do look for many more of those, but only a few groups to try to buy an existing paper outright.
So what are the keys to relatively successful ownership headed into 2009 and 2010? Paradoxically, the companies doing the best recognized the value of diversification years ago and invested in other growth businesses (the Washington Post’s Kaplan education and Scripps’ lifestyle cable networks). Gannett continues to be an acquirer, but of early-stage digital companies. Its only U.S. newspaper transaction this decade was a swap.

Top national newspapers like the New York Times and the Wall Street Journal or others with a traditionally high investment in news also seem to have an edge in holding readers and advertisers.

As a theoretical proposition, whoever first cracks the case of a successful transition to a new business model might have a running start at converting that expertise to bigger ownership positions.

In the meanwhile, also, 2009 will almost inevitably be the year when we find out what happens next when a newspaper company – with profitable papers – fails because it cannot meet debt obligations.

**Footnotes**

8. From a recording of Zell’s meeting with Tribune Washington bureaus obtained confidentially

**Alternative Weeklies**

**Alternative Weeklies**

By the Project for Excellence in Journalism

Alternative weeklies – those scrappy, often intensely local weekly newspapers and magazines that seek to provide an alternative to their mainstream competitors – were hardly immune to the troubles besetting the rest of the media in 2008.

One of the largest chains of alternative weeklies, Creative Loafing, filed for protection from its creditors under
bankruptcy law.

Other publications also showed signs of stress, particularly those in big markets where advertisers are finding alternatives to the alternatives. Smaller communities seemed to fare better, and publications such as Seven Days in Burlington, Vt., continued to carve out a niche among younger readers so desirable to advertisers.

One result of a difficult year is that many of the alternatives aggressively pursued the Internet, adding features and beefing up promotions to draw younger readers to the place where many of them are already getting the bulk of their news.

**Audience**

Readership of alternative weeklies fell in 2008, and aged somewhat.

The 130 member papers of the Association of Alternative Newsweeklies reported a combined weekly circulation of 7.1 million as of June, 2008. That was down about 400,000, or slightly more than 5%, from 2008.

Alternative weeklies once thrived by providing a vehicle for advertisers to reach younger readers who were not consuming traditional media – making their demographics crucial to their success. Over the years, their readership aged with them and remained wealthier than the population at large. And even with that, the alternative press has maintained a somewhat younger demographic.

As the Ruxton Media Group, which sells national advertising in alternative weeklies, puts it on its website: “Constantly on the go, younger urban consumers can be hard to track down. By covering important, often controversial issues that shape readers’ lives, culture and community; the Alternative Press keeps readers awake and aware.”

And that duality can be seen in the latest readership numbers. In 2008, the data show both a slight expansion of readers in the 18-to-24-year-old segment, but also an increase in the much larger group that is 45 and older. According to a survey by the Media Audit, a company that conducts audience surveys, the readership of alternative weeklies that is aged 18 to 24 grew to 14.1% from 13.6%. That remains well under the estimated 42.6% of the readers who are aged 45 or older. That latter figure is up from 41.5%. 1

Men continue to be slightly more represented among alternative weekly readers: 52.2% to 47.8% female. In the general population of adults, 48.5% are male and 51.5% female.

Good news for advertisers is that alternative weekly readers are wealthier than the general population. The average household income for alternative weekly readers is $70,109 compared to $66,028 in the general population. In addition, 34.2% of alternative weekly readers have a household income of $75,000 or more, compared to 31% of the general population.

Alternative weekly readers are also more educated than the general population with 41.4% having a college degree compared to 36.7% of the general population.

**Alternative Weekly Readers' Media Usage**
Alternative weekly readers are, compared to the rest of the population, heavy consumers of radio, newspapers and the Internet. 2

According to the Media Audit survey, they are 18% more likely to listen to the radio for 180 minutes or more in a week and 37% more likely to spend 60 minutes or more with a newspaper. 3

When reading traditional newspapers, they are most likely to focus on the employment/classified and the movie/entertainment sections and are less likely to regularly pay attention to Sunday advertising inserts.

They spend about the same amount of time watching television as the average person.

And in what is good news for papers making the transition online, alternative weekly readers are 23% more likely to be heavy users of the Internet (430 minutes per week, or about an hour a day, or more).

Ownership

Creative Loafing Goes Bankrupt

In September 2008, Creative Loafing, which owns six alternative weeklies across the country, filed for projection from its creditors under Chapter 11 of the U.S. bankruptcy code.

The filing came a year after the firm, which is based in Tampa, purchased two of the biggest and best-known alternative weeklies in the country, the Washington City Paper and the Chicago Reader.

According to the CEO, Ben Eason, the bankruptcy filing had nothing to do with this acquisition and everything to do with hard economic times. “I’m filing because the economy sucks, he said.” 4

Nonetheless, Creative Loafing was hit by hard economic times while it was trying to pay off $40 million in debt, part of which was a $15 million loan to help purchase the two papers. 5

A bankruptcy judge is expected to decide in 2009 if one of the largest creditors, Atalaya Administrative, could declare the loan in default and take control of the company.

Economics

Revenues for alternative weeklies suffered some of the same pressures as those at their mainstream counterparts, though the impact appeared to vary by market.

Revenue for the 130 members of the Association of Alternative Newsweeklies declined about 5%, to $416 million in 2008, according to the association. A more precise estimate cannot be made due to a change in the way the group calculates revenues for the papers.

While larger, more established alternative weeklies such as the Washington City Paper and the Village Voice are struggling to attract new readers and advertisers, papers in smaller communities fared much better.
Seven Days, an alt weekly published in Burlington, Vt., had a revenue increase of 1% in 2008. It may be a small amount but in a climate in which negative revenue growth has become the norm, any growth is impressive.

Other papers in similarly small and mid-sized communities are faring better as well. Boulder Weekly, published in Boulder, Colo., had a revenue increase of 5% in 2008. Similar to Seven Days and other papers that have seen growth, the increase was attributed to special issues and tailoring its content to its market.

The Village Voice, one of the grande dames of the alternative press, was not as lucky. It dropped a number of marquee employees in 2008, including the columnist Nat Hentoff, who had worked for the paper since 1958, and Lynn Yaeger, a fashion writer who worked for the paper for 30 years.

The Village Voice was sold in 2005 to a Phoenix-based publisher that then changed its name to Village Voice Media and had cut its staff size since the acquisition.

“I understand they have serious advertising revenue problems, but they don’t seem to be able to sit there and just talk about them with their own workforce to deal with these problems,” the writer Tom Robbins told the New York Times in late 2008.

In early 2009, the publication was reported to have dropped all its syndicated cartoons, also in a cost-cutting move.

Online Trends

In contrast to their situation in print, alternative weeklies report growth online, both in readership and revenue.

In a poll of its members conducted for PEJ, the Association of Alternative Newsweeklies reported that 86% of the 57 papers that responded to the survey said they had an increase in Web traffic in 2008. Of those, a quarter of the papers reported a 1% to 10% increase in Web traffic, and almost half said they had an 11% to 25% increase. Just a small number, about 65 of the papers responding to the survey, reported an increase of 51% to 200% and an additional 6% said they had an increase of over 200%.

The revenue picture for the Web was positive as well. More than three-quarters, or 77%, of respondents, reported revenue increases from Web advertising in 2008, while the balance, 23%, reported no increase.

Of the papers that reported greater revenue, the largest percentage (28%) said they had increases of 26% to 50% in revenue from the Web. And a good number had a revenue increase of over 51%, a sign that some alternative weeklies are faring better at making money of the Web as their print products lose advertising.

Most of the papers (96%) are producing content for the website that does not appear anywhere in the print edition. But much of this also involves adding to the work of existing employees. A majority of the papers responding, 59%, said they did not have any staff that worked only on the website (while 41% did).

Of the papers that had Web-only staff, the size of the workforce, not surprisingly, is small. More than three quarters (77%) said that their online staff represented 5% or less of their workforce. Only 23% of papers said that they dedicated more than 5% of their staff to the website.
Footnotes

1. The Media Audit audience survey of 124 publications in 72 markets from January 2007 to March 2008. The survey is conducted by International Demographics of Houston. www.themediaaudit.com

2. The Media Audit audience survey of 124 publications in 72 markets from January 2007 to March 2008. The survey is conducted by International Demographics of Houston. www.themediaaudit.com

3. The Media Audit audience survey of 124 publications in 72 markets from January 2007 to March 2008. The survey is conducted by International Demographics of Houston. www.themediaaudit.com


8. Paul Schmelzer, “Gone Tomorrow: City Pages’ parent suspends comics, including ’This Modern World,’ ” the Minnesota Independent, January 26, 2009

9. Survey done by the Association of Alternative Newsweeklies for PEJ; 57 of the 130 member papers responded to the questions

10. Survey done by the Association of Alternative Newsweeklies for PEJ; 57 of the 130 member papers responded to the questions.

Charts & Tables

Charts and Tables

Audience

Average Circulation for a U.S. Daily Newspaper
Daily and Sunday Circulation Declines
Daily Newspaper Readership by Age Group
Daily Newspaper Readership by Education
Daily Newspaper Readership by Income, 2008
Daily Newspaper Readership by Race/Ethnicity
Number of U.S. Daily Newspapers
Sunday Newspaper Readership by Age Group
Sunday Newspaper Readership by Education
Sunday Newspaper Readership by Race/Ethnicity
Content Analysis

Newspaper Content

By the Project for Excellence in Journalism

Even in a year when their future was cast further in doubt, newspapers continued to offer coverage that distinguished them in the media ecosystem.

Over the course of 2008, newspapers provided news consumers with a wider range of coverage than was available on most other platforms – even on just their front pages.

In the media over all, for instance, fully half of the newshole in 2008 was devoted to combined coverage of just two stories – the election and an economic slowdown that became a meltdown. Those stories filled 42% of the front-page newspaper coverage, leaving more room for attention to other subjects.

In turn, print front pages devoted more attention to subjects such as immigration, health care, U.S. anti-terrorism efforts and the war in Iraq than any other sector.

And within the newspaper universe itself, there were some notable differences in the news agenda. In some important ways, the smallest papers – those with circulations under 100,000 – offered a different portrait of events in 2008 than found anywhere else. Unlike their larger counterparts, the No. 1 story in the smaller dailies by a significant margin was the economic downturn rather than the election. And the main story of the war in Iraq was about how it was affecting the home front, even more than events unfolding inside Iraq. These findings suggest that the more community-oriented dailies were well positioned to report on national or even international issues by covering the local angle to a bigger story.
Top 10 Stories: Newspaper vs. Media Over All
Percent of Newshole

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<thead>
<tr>
<th>Newspaper</th>
<th>Media over all</th>
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<tbody>
<tr>
<td>Election*</td>
<td>23%</td>
</tr>
<tr>
<td>U.S. Economy †</td>
<td>19</td>
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<tr>
<td>Iraq War ‡</td>
<td>6</td>
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<tr>
<td>Domestic Terrorism</td>
<td>2</td>
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<tr>
<td>Immigration</td>
<td>2</td>
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<tr>
<td>Olympics</td>
<td>2</td>
</tr>
<tr>
<td>Health Care</td>
<td>1</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>1</td>
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<tr>
<td>Georgia/Russia Conflict</td>
<td>1</td>
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</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.

The Most Coverage of the Economy

In 2008, the newspaper sector devoted 19% of its front-page space to coverage of the deepening financial crisis. That was more than any other media sector and about one-third more than in the media over all (15%). This is part of a trend that began in 2007, when evidence of the economic crisis began to manifest itself and newspapers were quickest to jump on the story, with particular attention to the problems in the faltering housing market.

In 2008, as the narrative of the unfolding economic story shifted several times, newspapers continued to pay the most attention to the story. In every month in 2008, newspaper front pages devoted more coverage to the economy than cable news, network, radio or the online sector. The one exception was a stretch from May through July 2008, when network news focused on rising gas prices and pain at the pump – a story that in the end missed the coming banking and financial collapse.
Not only did newspapers cover the economic meltdown more heavily on their front pages than other media did overall, but they also covered it differently. In print, the story of the economy was much more closely tied to housing and mortgages that it was in the media generally. And politics of the bailout plan, very much a Washington-centric narrative, was not a dominant story. ²

In print, about 18% of the economic coverage was tied to the housing crisis and troubles afflicting federal mortgage funders Fannie Mae and Freddie Mac, compared with about 13% generally. Roughly another 11% of the economic story in newspapers was about the discussion of a recession – about 20% higher than the proportion in the media overall.

In turn, newspapers devoted about 40% less coverage to the politics surrounding the federal bailout plan as the media in general. The ups and downs in the stock market accounted for only 2% of the newspapers’ economic coverage compared with 4% in the media overall. And newspapers offered about 20% less coverage of the troubled U.S. auto industry – and efforts to bail it out – than the media in general.

Given a deepening and multifaceted economic crisis that proved difficult for the media to track in real time, newspapers amassed a track record for this, the most extensive coverage of the second-biggest story of 2008. There may be several reasons for this. With the exception of a handful of national papers, they tend to be local institutions first and foremost.
And as we found especially to be the case of the smaller dailies, that gave them an opportunity to use their own communities as a way of telling the bigger story. At the same time, many newspapers have traditionally maintained a separate business section as well as the roster of experienced business writers and reporters to deploy on a story like this.

**Newspapers and the Presidential Election – Less Coverage, More Tone**

When it came to the election, three things stood out in the coverage of American newspapers. The election dominated agenda in the print less than elsewhere. The coverage focused somewhat less explicitly on the horse race and more on personal biography. And while it may not have been so much about the polls, it nonetheless appeared to reflect their influence, for the coverage, often interpretative, was even tougher on McCain and more favorable to Obama than in the media generally.

Over all, even though the 2008 election ranked as the No. 1 story on newspaper front pages, less than a quarter of the coverage that began on the front pages (23%) was devoted to the election of 2008, compared with 36% in the media generally.

And in a year in which horse race coverage of tactics, strategy and polling accounted for a majority of the coverage over all (57%) from January 6 to November 3, newspapers produced modestly less of this (54%). But that slack was not taken up by coverage of where the candidates wanted to take the country in policy terms. Newspapers devoted a lower percentage of their campaign coverage to policy (11%) than any other media sector. What newspapers did to leverage their advantages in reporting time and resources, instead, was to produce the most front-page coverage of personal issues.
That coverage took the form of a number of lengthy profiles later in the race. From mid-September through Election Day, larger papers offered no less than a dozen such front-page profiles. Ranging in length from about 1,800 words to over 5,000 words, four were on the Democratic ticket – one on Joseph Biden and three on Barack Obama. Eight were on the GOP candidates – three on Sarah Palin and five on John McCain. A number of the pieces on McCain focused on his time in Vietnam, where he was a prisoner of war.

There seemed to be some general patterns to these profiles. The Palin pieces, which examined her record as an elected official in Alaska, often talked about her as a polarizing figure. The Obama pieces emphasized evolution or transformation. And the McCain stories were framed by his wartime experiences in Vietnam.

On September 14, the Washington Post ran a 2,299-word story on Palin with the headline “As Mayor of Wasilla, Palin Cut Own Duties, Left Trail of Bad Blood.” On the same day, the New York Times ran a 3,221-word story headlined “Once Elected, Palin Hired Friends and Lashed Foes.”

Also on September 14, the San Francisco Chronicle profiled Barack Obama in a 3,236-word article entitled “Transformations: A lifetime of evolving and adapting his identity has helped propel Barack Obama near the pinnacle of U.S. politics.” A subsequent Washington Post 3,989-word profile of Obama appeared on October 9 with the headline...
“From Outsider to Politician.”

In October, within the space of about a week, three lengthy pieces on John McCain were published, two of them in the Washington Post: “In Ordeal as Captive, Character Was Shaped” and “Seeing White House From a Cell in Hanoi.” The New York Times carried a 2,667-word piece entitled “Writing Memoir, McCain Found a Narrative for Life.”

Newspapers also stood out, at least during the homestretch of the general election phase (from September 8 to November 2) by being even more critical about McCain’s campaign, and more favorable about Obama’s, than the media over all. Fully half of the Obama newspaper stories were positive during this period, compared with 38% in the media generally, while 23% were negative (compared with 27% over all). That represents the highest percentage of positive Obama stories of any of the five media sectors studied.

Conversely, the tone of newspaper coverage of McCain was tougher than the already negative portrayal in the media over all. In newspapers, only 5% of McCain’s stories were positive (compared with 14% in the media over all) and 65% were negative (compared with 57% in the media over all.) That represented the lowest percentage of positive McCain stories of any media sector examined.

What would explain front-page newspaper coverage that magnified the over all media narrative about the two candidates? Perhaps format and deadlines played a role. Because newspapers are reporting on what happened yesterday and have the luxury of more space and time than the instantaneous media, their coverage of the candidates tended to be more analytical. While cable news may stage debates, often those are people disagreeing. Newspapers are more prone to come to some bottom-line conclusion. That may well have translated into more coverage focused on explaining and analyzing the prevalent strategic dynamic, which was a story of Obama running a more effective campaign than McCain.

Tone of Coverage: Obama vs. McCain
Percent of Campaign Stories, September 8-November 2, 2008

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<tr>
<th></th>
<th>Newspaper</th>
<th>Media over all</th>
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<tr>
<td></td>
<td>Obama</td>
<td>McCain</td>
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<tr>
<td>Positive</td>
<td>50%</td>
<td>5%</td>
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<tr>
<td>Negative</td>
<td>23</td>
<td>65</td>
</tr>
<tr>
<td>Neutral</td>
<td>27</td>
<td>30</td>
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</table>

Newspapers Lead in Coverage of Iraq War, Immigration, Health Care and Terrorism

Like all other media sectors, newspapers found themselves with a narrower news agenda in a year dominated by the election and economy. But even so, the front pages remained more varied than much of the media menu. In practice, that does not mean that newspapers maintained their 2007 level of coverage for some of these stories, but rather that they decreased their attention to a lesser degree than other media platforms.
Given the range of news, the numbers often are small, but they add up across topics to a substantially more breadth. Among the items that got more coverage in print than elsewhere: the Iraq war, immigration, health care and U.S. efforts to combat terrorism.

Even as coverage of the war in Iraq plunged by about two-thirds in newspapers from 2007 to 2008, for instance, the front pages still devoted substantially more coverage to Iraq than the media over all (6% vs. 4% of newshole). While the impact of the war on the U.S. home front was largely absent in the rest of the media, it remained a sizable story in print, thanks largely to the more extensive coverage in the smaller community-oriented dailies.

Immigration, another big story from 2007 that diminished in 2008, remained about twice as big in print as in the media over all. Beyond the usual coverage of immigration policy and legislation, immigration raids and other enforcement-related issues, newspapers also spent time looking at the immigrant communities.
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A 2,000-word article in the Los Angeles Times chronicled the path of a 60-year old Hispanic woman hoping that working for Mary Kay cosmetics would help to propel her into the middle class. The Wall Street Journal described how an influx of refugees from Myanmar, the former Burma, had helped the Swift meatpacking plant in Cactus, Texas, get up and running again after a federal raid in 2006 arrested 297 illegal aliens working there. And the Colorado Springs Gazette looked at how tougher immigration laws and the deepening financial crisis in the U.S. have resulted in a reverse migration back to Mexico for many immigrants.

Another subject that newspapers paid more attention to attracted little notice elsewhere in the media. Over all, health care accounted for 1% of the newspaper newshole – more than double the coverage in the media over all – and registered as a top-10 newspaper story, just behind coverage of the Olympics and ahead of coverage of Pakistan.

And driven by coverage in the larger dailies with the most resources, newspapers also offered the most coverage of issues related to U.S. efforts to combat terrorism – almost 50% more attention than the media in general. One key component of that coverage was the controversial prison at Guantánamo Bay, Cuba.

Smaller Papers and Big Stories

The Financial Downturn Hits Home

An examination of newspaper coverage of several major stories reveals a significant distinction based on the size of the publication. In several cases, the smallest papers – those with a circulation less than 100,000 – devoted the most coverage to a major story, the economy, in large part by mining the local community.

The biggest papers (650,000 circulation and up) and major metros (100,000 to 650,000) devoted a nearly identical percentage of their front-page newshole (18% and 19%, respectively) to the economic crisis in 2008, their second-biggest story for the year.

But in mid-sized and small newspapers (under 100,000), the economy was the biggest story of 2008, ahead of the election. For the year, fully a quarter of the coverage that began on the front page (26%) was about the economy and much of it dealt in real terms with the impact of the nation’s financial crisis on the day-to-day struggles of families and local businesses.
<table>
<thead>
<tr>
<th>Rank</th>
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<th>100,000-650,000</th>
<th>Less than 100,000</th>
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<tbody>
<tr>
<td>1</td>
<td>Election*</td>
<td>22%</td>
<td>28%</td>
<td>26%</td>
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<td>2</td>
<td>U.S. Economy †</td>
<td>18</td>
<td>19</td>
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<td>3</td>
<td>Iraq War ‡</td>
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<td>4</td>
<td>Domestic Terrorism</td>
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<td>5</td>
<td>Pakistan</td>
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<td>6</td>
<td>Immigration</td>
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<td>7</td>
<td>Afghanistan</td>
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<td>8</td>
<td>Olympics</td>
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<td>9</td>
<td>Health Care</td>
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<tr>
<td>10</td>
<td>China</td>
<td>1</td>
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* Includes stories about the campaign, results, and the transition
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‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S

As the year began, much of this echoed the discussion in the national media of recession fears, falling home sales and rising foreclosures. In hometown papers it was illustrated by local examples. In the second quarter, the stories became even more specific – a local golf course up for sale, more people shopping at thrift stores, local layoffs and residents using bicycles to avoid paying high gas prices. In the third quarter, coverage was sparer, and tracked the national bank failures. The only unusual local angle was coverage of rising home foreclosures. But in the final months of the year, as the national media focused on the financial industry bailout in Washington, the coverage on local front pages showed a sharp increase in more finely grained stories about how local people, communities and states were attempting to cope. The crisis was hitting Main Street, not just Wall Street.

The Colorado Springs Gazette, for example, carried articles about what local residents were doing to get by in hard times and how utility bills were expected to rise by 23%. The MetroWest Daily News outside Boston wrote about homes – vacant because of foreclosures – that were flooded by burst pipes. The New Hampshire Union Leader reported on local layoffs. And the Modesto Bee in California produced stories on divorced couples who were forced to remain in the same house.

As these papers proved, it can be easier to track and illustrate an economic downturn of massive dimensions by chronicling the fallout closest to home.
The impact of the Iraq war was also different in smaller newspapers than in the national media. While the home front was a small story nationally even in print (1% of the coverage in the biggest papers, 2% in big metros), the effect of the war at home was the major component of the Iraq story in the country’s smaller-circulation papers (fully 5% of all coverage).

These were stories that included homecomings, funerals, celebrations and remembrances (about a third of the coverage), about the impact of the war on families and communities (another third) and on conditions for wounded veterans – recovery from injuries, the Wounded Warrior program, as well as those struggling with mental health issues, homelessness, financial problems or substance abuse issues (about one out of six stories).

The Chattanooga Times Free Press recounted the emotions of the friends and family of a young Marine killed in Anbar Province as they waited for his body to arrive home. The Bakersfield Californian recalled the life and death of a local 21-year-old killed when a roadside bomb exploded near his Humvee in 2006. In September and October, the New Hampshire Union Leader carried a five-part series on a member of the local National Guard critically wounded in Iraq, and his fight to recover.

In many ways, smaller papers with a more intimate sense of their community were best positioned to examine the many different human costs of the war. The Colorado Springs Gazette, for example, reported on a Fort Carson soldier working as a teacher’s aide with kindergarten and first-grade students who found the job helping him with cognitive problems caused by an explosion. “I had trouble keeping up with adult conversations,” he told the paper, “but I could keep up with the kids.”

Local Olympic Heroes

One other story was clearly bigger in the small newspapers in 2008: the Olympics, where the coverage was about double what it was in larger papers.

More than half the stories highlighted hometown links to the Games – local athletes either competing in qualifying events or actually heading to Beijing, a local reporter going to China to cover the games, a local chiropractor selected to join the health care team, as well as reactions of local residents to media coverage or to stories of inspiring athletes.

The MetroWest Daily News in Massachusetts profiled Natick sports chiropractor Scott Gillman, selected by the World Olympians Association to join the health care team in Beijing, as well as staff reporter Chris Bergeron, who – having previously lived and worked in China for seven years – was returning to a vastly transformed country.

The Colorado Spring Gazette’s stories, focusing on individual athletes, were, for the most part, more poignant. There was the story of Mike Farrell, a Colorado Springs resident who suffered nerve damage after being bitten by the family dog when he was only three days old, competing in the U.S. Paralympics cycling trials. (The Paralympics were held in Beijing a few weeks after the Olympic Games) And the tale of another local resident, Roger Stewart, the first known deaf wrestler to qualify for the U.S. Olympic trials. Colorado Springs is the headquarters of the U.S. Olympic Committee.
Footnotes

1. Only the online sector devoted less of its newshole (39%) to the year's two top stories.  

2. According to the weekly News Interest Index, which measures which stories are being followed “very closely” by the public, eight of the top 15 stories related to the economy. http://people-press.org/report/479/internet-overtakes-newspapers-as-news-outlet

Audience

By the Project for Excellence in Journalism and Rick Edmonds of the Poynter Institute

Over all, the audience for what newspapers produce continued to grow in 2008. But for an industry that for advertisers must still separate print readers from online, the news was not good.

The declines in print newspaper circulation, which had begun to accelerate alarmingly in late 2003, only became deeper in 2008.

Daily and Sunday Circulation Declines

Design Your Own Chart

Source: Deutsche Bank Securities
Over all, newspaper circulation fell 4.6% daily and 4.8% Sunday for the six-month period ended September 30, according to the Audit Bureau of Circulations. That was even worse than the 2.6% declines daily and 4.6% Sunday reported for the period a year earlier. That still left daily circulation at 48,408,000 Sunday at 48,786,000.

The news about newspapers’ online audiences was mixed but more positive than not. One measure, unique visitors—or the number of different people who visited newspaper websites each month—was up 15.8% to 65 million in the third quarter of 2008 over a year earlier, according to measurements by Nielsen Online.

Page views—the number of different pages within each website viewed each month—were up 25.2%.

Total audience, or the number of people who read the paper either online or in print (once those who read it in both places were accounted for), also appeared to be growing. A study by the circulation bureau with Scarborough Research for the six-month period ended September 30, attempted to measure the combined reach of 130 participating newspaper websites. On average, the unduplicated Web audience added 8.4% to the print readership in their home markets.

An independent check on these industry measures came in the every-other year survey of news consumption habits by the Pew Center for the People & the Press. The study, released in August, found that those who said they had read a newspaper yesterday was 34%, compared to 40% two years earlier, while the number who said they read news online yesterday jumped to 29% from 23%.

For all that, however, the time people spent on each site fell at many papers, suggesting much of that traffic comes from searches with users lingering only briefly rather than reading the news as they would in a print paper.

The print circulation slide from 2001 to 2008 totals roughly 13.5% daily and 17.3% Sunday.

The decline in print circulation, while bad, is not as catastrophic as some might think at first glance. First, because their demographics are so strong and print ads are considered effective, newspapers still do not have to tie their ad rates in line with circulation numbers the way some other media do.

Some of the print circulation losses have also been intentional and strategic. Especially in a year when cost-control was all-consuming, large metros and even smaller papers deliberately discontinued circulation to the more remote sections of their home area. Those papers are particularly expensive to deliver (in a year when gas prices went for a time to more that $4—a gallon). Distant readers are also less valuable to hometown retail advertisers, and it adds to editorial costs to cover those faraway towns.

Another factor fueling the circulation declines, during a difficult year for revenues, is that seeking or even maintaining circulation is expensive. Most newspapers sell subscriptions by phone. The already expensive practice has become more costly since the federal do-not-call registry eliminated millions of homes that could be called. And the yield is not very good. Most trial subscribers do not take a full-term, full-cost subscription, setting off new rounds of startup sales and a cycle of churn. Newspaper executives are now saying that they are better off with a lower but stable number of core subscribers.
As is typical, the average numbers were made up of widely varying results among papers. Some highlights.

- As through most of this decade, national papers did better than the norm. USA Today and the Wall Street Journal stayed even for the six months ending in September compared to a year ago. The New York Times circulation was down 3.4% daily and 4.1% Sunday, but with aggressive price increases, it was a rare paper that showed a gain in circulation revenues.

- Big city metros continued to fare worst of all. Only 2 other of the top 50 papers in circulation (aside from the three nationals) had increases in daily circulation – the Cincinnati Enquirer (up 0.5%, benefiting from the closing of the Cincinnati Post) and the Pittsburgh Post Gazette (up 0.4%).

- Six of the largest 50 had double-digit losses year-to-year — the Houston Chronicle (down 10.6%), the Star-Ledger of Newark, N.J. (down 10.6%), the Philadelphia Inquirer (down 10.7%), the Atlanta Journal-Constitution (down 13.4%), the Orange County (Calif.) Register (down 14.4%) and the Miami Herald (down 12.1%). The Houston, Philadelphia and Newark papers had double-digit losses on Sunday as well.

- All told, excluding the three national papers, Deutsche Bank analyst David Clark calculated that the top 50 newspapers (which account for about a third of all circulation) were down 6.3% daily and 5.9% Sunday.

- The contribution of newspaper websites to expanding audience reach varied as well. The San Francisco Chronicle was tops, adding roughly 24% to its print audience when monthly unique visitors to its website, SF Gate, were included. Other large papers that did best in adding audience were the Boston Globe, the San Diego Union-Tribune and the Atlanta Journal-Constitution.

Several years ago, there was vague talk that the industry would work through shedding less-desirable subscribers and that print circulation numbers might stabilize if not turn back up. That now appears less likely as the gradual shift of audience to the Internet continues and financial pressures rule out aggressive investment in building print circulation for most metro and mid-sized papers. So expect circulation totals to decline again in 2009 and 2010.

**New Audience Strategies**

Raw numbers do not tell the entire audience story. Changes in strategy are at work that mirror the aspiration of newspaper organizations to transform themselves into diversified publishing ventures on multiple platforms. Besides the basic news audiences in print and online, the companies are looking for additional audiences that will interest local advertisers and build revenues.

For a start, many newspapers have ditched the traditional circulation department in favor of a broader audience development and marketing department. Some of the traditional functions, including delivery and customer service calls, are prime candidates for outsourcing to save money. What remains crucial for the newspaper is to identify groups of audiences to be served within its market and a suite of products that will deliver those audiences to advertisers.
Most papers have specialty publications, distributed to high-income ZIP codes and driven by advertising for luxury goods. Health and fitness or other topics with advertising support get the same niche publication treatment.

Besides the main website, papers typically have specialty or micro sites with distinct ad bases and topics that will draw reader participation and comment. At Gannett’s 85 community newspapers the big three are moms, high school sports and nightlife.

A few papers – the Chicago Tribune, St. Petersburg Times and the Dallas Morning News are notable examples – have free distribution print products targeted at youth audiences or other groups.

All this may seem to have little to do with traditionally defined news, but it gives the newspaper organization’s sales force, some of them now specialists in online options, a briefcase of solutions to sell the prospective advertiser.

One other factor could also affect circulation. United States newspapers are notoriously underpriced – selling a single copy typically for about half the going rate in Europe and Asia. As a result, circulation generates only about 15% to 20% of the typical newspaper’s revenues here; abroad a 50-50 split between circulation and advertising revenues is common. Even with the recession, many papers are becoming more aggressive about pricing — most McClatchy papers went to 75 cent a copy in the fourth quarter—which can drive circulation down but may strengthen the paper.

Online, the continuing strategy is to build out websites with even more breaking news, multimedia content and user participation. Newspapers are reconciled to having many visitors arriving by search or from sites that aggregate news reports from many sources, at the same time hoping to have enough to offer that local users will linger. The companies seem to be betting that online advertising, disappointing in the last several years, will increase in volume and command higher rates with better targeting. (See more detailed discussion of this in the Economics section of this chapter).

In 2009, new rules from the Audit Bureau of Circulations will be phased in. Paid circulation will mean paid by individuals. Paid distribution by third-party groups or distribution at hotels and conferences now count as separate categories.

That is consistent with the industry’s story that it wants quality circulation and recognizes the other categories are of less worth to advertisers. However, there is a loophole – paid circulation can be for any amount, allowing a return to deep discounting should a paper choose to go that route.

A final strategy might be called a roll of the dice by drastically scaling back the daily print product. Most metros are now producing a paper smaller in every dimension than the one they were publishing three years ago – thinner paper, narrower page width, less space for news and a smaller staff covering a shrinking geographic area and range of topics.

We have expressed skepticism about a less-is-more editorial report in previous editions of State of the Media. Logic and empirical research by Phil Meyer in his 2004 book, “The Vanishing Newspaper,” suggests that a bare bones newspaper will have difficulty holding marginally committed readers.

The cutters are probably right in suggesting that hurried readers will accept a tightened report – to an extent. But the deep cuts of 2008 raised concerns among observers beyond the usual academics and media critics. Goldman Sachs
analyst Peter Appert asked A.H. Belo CEO Robert Decherd during an earnings conference call in July, “How do you maintain editorial relevance and quality as you are doing such dramatic cuts in staff?” Decherd replied that the right mix of materials would keep “our products more than relevant, actually essential, to the local news and information needs of our communities.”

In addition to a diminished daily product potentially alienating readers, the strategies at some papers to reduce print delivery to a few days a week (Detroit is a prime example) also will test whether cutting some of the daily print cycle brings big advertising losses.

Throughout the industry, 2009 circulation results will bring a fresh test of a question – are newspapers still substantive enough to hold readers? Or is their skimpiness going to drive deeper audience losses?

Number of U.S. Daily Newspapers

Over all, the total number of daily newspapers continued to decline for the fourth straight year. In 2007, the most recent year for which data are available, daily newspapers were down to 1,422 in that year from 1,437 in 2006. Of the total number of daily newspapers, evening papers continued to decline, while those in the morning continued a trend of growth. In 2007, the number of evening papers declined by 49. This compares with a drop of 31 evening papers from 2005 to 2006.

Morning newspapers, on the other hand grew by 34 in 2007, continuing a trend of growth after adding 16 from 2005 to 2006.
Readership Demographics

As has been the case for several years, newspaper readership continued to steadily decline in 2008. Across all demographic groups PEJ looks at – age, ethnicity, education and income – fewer people across the board are picking up daily and Sunday newspapers.

Among readers of all ages, readership declined between 2007 and 2008. Young people in the age groups of 18 to 24 and 25 to 34 continue to have the lowest readership levels of daily newspapers. Among readers 18 to 24 years of age, 31% say they read a newspaper yesterday, according to data from Scarborough Research. This represents a drop of two percentage points from the prior year. Those in the 25-to-34 age group do not demonstrate much better numbers. Readership of daily newspapers was down to 32%, also down two percentage points from 2007. 14

Those aged 35 to 44 and 45 to 54 also showed declines in readership in 2008. Readership of daily newspapers was down to 41% and 51%, respectively, among the age groups. 15
And even the most faithful readers of newspapers, older people, or those ages 55 – to 64 and 65 and above have shown sharp drops in readership since 2000. In 2008, readership was down to 57% among 55-to-64-year-olds, a drop of nine percentage points since 2000. Those 65 and older showed an even greater drop. Although 64% say they picked up a newspaper yesterday, this number has declined from 72% in 2000, an eight percentage point difference.  

Daily Newspaper Readership by Age Group

Percentage nationally who read any daily newspaper yesterday, 1999-2008

Design Your Own Chart

Source: Scarborough Research survey data
According to demographic data of newspaper readership by ethnicity, the group most likely to read newspapers—whites—declined to 47% from 49% the year before. African Americans and Asians, however, held their readership steady between the two years, at 42% and 41%, respectively. For African Americans, this broke a slow but steady decline in readership that began in 2002. Asians readership, which had been seeing slow but steady readership decreases, has held readership steady for the past three years, since 2006. And after a slight increase in readership in 2007, Hispanics—the group least likely to read a newspaper—showed a decline in readership in 2008, down to 29% from 31% in 2007. 17
Daily Newspaper Readership by Race/Ethnicity
Percentage nationally who read any daily newspaper yesterday, 1999-2008

Design Your Own Chart
Source: Scarborough Research survey data
Among readers of varying levels of education, newspaper readership also declined across the board between 2007 and 2008. One of the two groups most likely to read newspapers – those with some post-graduate education – showed a drop of three percentage points in 2008, to 56%, the largest drop among groups of any level of education. Those with post-graduate degrees also declined, down to 60% from 62% the year prior. College graduates showed the least decline, dropping only one percentage point to 52% in 2008. Readers with some high school and some college both dropped off two percentage points, to 44 and 48% respectively, since 2007. 18
Daily Newspaper Readership by Education

Percentage nationally who read any daily newspaper yesterday, 1999-2008

Design Your Own Chart

Source: Scarborough Research survey data
Sunday Newspaper Readership by Education
Percentage nationally who read atest Sunday edition, 1999-2008

![Graph showing percentage of respondents by education level from 1999 to 2008.]

Design Your Own Chart

Source: Scarborough Research survey data

Footnotes

1. Jennifer Saba, “FAS-FAX: Most Major Newspapers Continue Circulation Declines,” Editor and Publisher, October 27, 2008

2. Newspaper Association of America, “Trends and Numbers” at NAA.org. Most recent figures are as of the end of 2007, adjusted for further losses in 2008

3. “Newspaper Web Site Audience Increases 15.8 % in Third Quarter to 68.3 million,” Newspaper Association of America, October 23, 2008

Economics

By the Project for Excellence in Journalism and Rick Edmonds of the Poynter Institute

A single statistic provides a good illustration of how bad 2008 has been for newspapers. In 2006, total industry advertising was $49.3 billion. In 2008, it was about $38 billion (estimating fourth-quarter results) – a decline in the two years of 23%. At a number of metro dailies, especially where real estate has crashed the most, the percentage loss was worse. And further declines are on the way in 2009.
The immediate financial problem for newspapers has become hunkering down for survival. Can the traditional cost structure – people, paper, presses and delivery fleets — be reduced at the same pace revenue is falling? For that matter, can newspaper companies with significant debt earn enough to make their interest payments?

Beyond the immediate, other questions linger. To what extent has the hunkering-down strategy newspapers are engaged in slowed, or even stopped, efforts at innovating new revenue streams online? Heading into 2008, many newspapers were convinced they had to approach their websites as their first product, and print as second. Is that approach, considered a key to innovation, a luxury papers couldn’t afford as the year went on? And to what extent have newspapers been weakened by the recession that will inhibit their ability to survive when the recovery finally begins?

For now, the industry has developed an array of cost-cutting strategies — cuts in news staff, the physical dimensions of the paper and the space devoted to news, most obviously. The playbook now also includes sharing reporting and business functions with former rivals, outsourcing support functions as far afield as India and even, in a few cases, dropping print editions in favor of online-only publication some days of the week.

With these adjustments, the majority of newspapers remain profitable (although not nearly as profitable as they once were), and that may surprise some casual observers. Why not just break even, rather than cutting back on operations? The answer varies. Some companies must make a profit to stay in business, others to pay off lenders (who are paid from operating profits). It is also important to sustain shareholders— given the damage to stock price and company values. They can always rehire and build back. Still, despite making a profit, the damage has been considerable.

Newspaper stocks, which had lost 42% of their value from the start of 2005 to the end of 2007, lost an astonishing 83% of their remaining value during 2008. Only the Washington Post Company, among those whose stocks are publicly traded, now commands more than $10 a share (and its share price has been in the hundreds for years because it did not do splits as value grew). A number – including former high-flyers McClatchy and Lee – were trading for less than $1 a share in early 2009.

The longer-term issue for the business is quite different, but also daunting. Newspapers hope to revive online advertising growth. Online advertising for newspaper sites was growing at 33% a year earlier in the decade. But that is now over. In the final three quarters of 2008, online ad revenue declined.

As we have noted in earlier years, the most important fact about the Internet is that it has in some significant way decoupled advertising from news.

It is now clear, if it wasn’t before 2008, that the industry will need to invent new revenue streams altogether. Internet advertising alone will not sustain the business. Of the $38 billion in advertising that the industry was estimated to have drawn in 2008, only $3 billion came from online.

Put another way, roughly half of newspaper readers now access the papers online for at least some of their news. But the Web produces less than 10% of the industry’s revenue.

The new revenue streams could include serving news content and geo-specific advertising to the burgeoning smartphone mobile market or providing downloadable versions of the paper to devices like Amazon’s Kindle, which are
rapidly improving in ease of reading. It could mean arranging point-of-purchase revenue from online sales.

Or it could involve rethinking the free-content model, perhaps in cooperation with Internet service providers. The book publishing industry was successful in negotiating a royalty agreement with Google for the electronic reproduction of some books. But our sense is that little spadework has been done in any of these areas.

The problem is that the willingness to seek multiple new revenue sources and ability to do so are two different things. Newspapers have neither the profits nor the access to capital to finance rapid business transformation. Some critics think that industry leaders lack the needed business creativity as well.

There is one more mid-term/long-term possibility that is little talked about. What if marketers’ flight to digital advertising and other non-media formats accelerates? What if some of the winning new advertising/marketing solutions have little or no relation to news content? After all, the surprise successes of this decade including — most prominently Google, Craigslist and Amazon – do a job for buyers and sellers without an expensive news effort.

That leaves the industry with an eye on another route in which it has had little success to date: getting much more financial support from readers or patrons who value what newspapers do in gathering and making sense of the news.

**Profits and Stock Performance**

Newspapers’ profitability picture is changing and rapidly deteriorating. Here is a summary of where the industry stands after the battering of 2008 and an awful start in 2009.

Broadly, newspapers were not able to reduce cost structure as quickly as revenues fell. With results for three quarters in, public companies were typically reporting costs down about 8%. Revenues, however, fell by twice that. Operating profit margins fell to the high teens in 2007 and sunk into the low teens in 2008. If you consider fourth quarter the norm going forward, 2009 is almost certain to be worse than that.

Saying that newspapers still have relatively healthy margins – some hovering around 20% — is true as far as it goes, but misleading. If a company continues to make a high margin on revenues that are down, its actual earnings are down, and it is actual earnings that matter – in making debt payments or providing a reasonable return for shareholders.

The overall averages also mask a range of results. Smaller newspapers (up to 75,000 circulation) typically are doing better than the industry as a whole—with much more modest revenue declines and margins in the high teens. They have lighter competition from online alternatives and may be the sole outlet for local coverage and retail advertising in their communities.

A number of major metropolitan papers have reported that they are now losing money to the tune of $1 million a week, the Atlanta Journal-Constitution, the Boston Globe and the San Francisco Chronicle among them. The Seattle Times, the stronger paper in its joint operating agreement with the Post-Intelligencer, is also operating at a loss. The Denver Post, the stronger of the papers in another joint operating agreement, is also losing money and could lose even more as its former partner, the Rocky Mountain News, has ceased publication.
The Washington Post ran at roughly break-even in 2008 – a result the company can afford for at least a while because of strong earnings by its Kaplan Education, cable and local television station groups, together with extremely low debt.

Companies that strive to maintain margins and profits as high as they can may argue they have little choice given debt obligations and the forces depressing advertising. Nonetheless, the strategy carries a pair of risks – weakening the print product and leaving a depleted kitty for investments in Web development or other new revenue streams.

**Stock Values**

Last year we reported on the two-year swoon of publicly held newspaper stocks. But 2008 was even worse – the public group lost 83% of its remaining value and shares have fallen even further in early 2009. 7

The chart below provides detail.

**Stock Values, Select Newspaper Companies**

<table>
<thead>
<tr>
<th>Company</th>
<th>12/31/2007</th>
<th>12/31/2008</th>
<th>% Change</th>
<th>2-Year Peak</th>
<th>Decline from Peak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gannett</td>
<td>39</td>
<td>8</td>
<td>-79.5%</td>
<td>62(3/07)</td>
<td>-88%</td>
</tr>
<tr>
<td>New York Times</td>
<td>17.5</td>
<td>7</td>
<td>-60</td>
<td>27(6/07)</td>
<td>-74</td>
</tr>
<tr>
<td>E.W. Scripps</td>
<td>*</td>
<td>2</td>
<td>*</td>
<td>8</td>
<td>-75</td>
</tr>
<tr>
<td>The McClatchy Co.</td>
<td>12.5</td>
<td>0.8</td>
<td>-94</td>
<td>38(2/07)</td>
<td>-67</td>
</tr>
<tr>
<td>The Washington Post</td>
<td>791</td>
<td>390</td>
<td>-51</td>
<td>857(11/07)</td>
<td>-54</td>
</tr>
<tr>
<td>Lee Enterprises</td>
<td>15</td>
<td>0.40</td>
<td>-97</td>
<td>33(2/07)</td>
<td>-99</td>
</tr>
<tr>
<td>Journal Communications</td>
<td>9</td>
<td>2.5</td>
<td>-72</td>
<td>14(7/07)</td>
<td>-82</td>
</tr>
<tr>
<td>Media General</td>
<td>21</td>
<td>2</td>
<td>-90.5</td>
<td>41(2/07)</td>
<td>-95</td>
</tr>
<tr>
<td>A.H. Belo Corp</td>
<td>*</td>
<td>2</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
</tbody>
</table>

Source: Yahoo Finance
*E.W. Scripps split its local television, newspaper and cable television assets in 2008. The number provided in the chart above is the year-end stock price for the local television/newspaper assets, which retained the E.W.Scripps name. Cable television assets are now owned by Scripps Networks.
**A.H. Belo was formed when the Belo Corporation split off the company’s television and newspaper businesses in early 2008.

It exaggerates only a little to say the market values newspapers at close to zero. Only companies with non-newspaper
businesses – Gannett, Washington Post, the New York Times Co. and Media General – have some remaining appeal. Debt-laden pure-play newspaper companies – McClatchy, Lee, GateHouse and Journal Register – are all trading for less than $1 a share.

Bad and uncertain earning prospects are the basic cause of Wall Street’s disenchantment, but there are two additional factors weighing against newspapers. Institutional investors (who make up most of the market) typically have a horizon of 12 to 18 months. Even industry optimists have a hard time arguing that the business will revive in that time frame. Institutional investors are also wary of businesses that might “go to zero” even if the odds of failure are slight. That sort of pick, gone wrong, can damage a fund’s ratings and hurt in attracting and holding customers for whom it manages money.

For an investor able to absorb such losses, newspaper stocks are a bargain at these prices if you believe that they will find a way to survive. That helps explain why Mexican billionaire Carlos Slim Helú was willing to put $250 million into the New York Times (at 14% interest) in January 2009 when other lenders might not. 8

Where Did the Advertising Go?

Earlier editions of this report have discussed the decline of newspaper advertising with emphasis on the precipitous fall of print classifieds. The short story of 2008’s distress is that those downward trends were compounded – probably doubled – by the recession.
In early 2009, companies in many industries began announcing huge layoffs and otherwise buttoning down to weather the economic crisis. Advertising has been cut and stands to be cut further.

The leading edge of the classified troubles came early in the decade with the fast rise of Monster — an ingenious and potent electronic system for matching the needs of employers with the availability and ambition of job seekers. It was simply a better mousetrap than column after column of print advertising in which each extra word increased the cost.

The industry rallied with a copycat service of its own. By 2007 and 2008, that service, CareerBuilder, had built a comparable volume of listings. But by the second half of 2008 many companies had stopped hiring. Job-listing revenues were down 43.6% in the third quarter compared to the same period in 2007.

Craigslist was a second killer competitor for classified advertising. Its listings — except those for jobs in the biggest cities — were free. If offered a no-frills (no news –content) marketplace for such things as general merchandise, used cars, apartment rentals and jobs. Users could go on at length, for instance describing the virtues of a car being sold and including a few color pictures.

Meanwhile, Google grew to become an indirect but potent competitor for advertising. The great majority (98%) of the
company’s revenue comes from advertising and the great majority of that is linked to search. Google News carries virtually no ads, and its business function is to drive users to search. Search advertising is easy to place and much of it priced by an auction, but its greatest appeal to marketers is being highly targeted to interests users display in their search choices. It is a moneymaker to Google because of the sheer volume of search advertising in the system. Two-thirds of all U.S. searches go through its system, allowing it to make billions a year from pennies per search ad.

Put it all together with similar competitors in real estate and autos, and the newspaper industry has seen classified volume shrink from $19.6 billion in 2000 to about $10.2 billion in 2008 (estimating the fourth quarter). Of the 23% total two-year decline in advertising, highlighted at the start of this section, four-fifths comes from plunging classifieds.

Lauren Rich Fine, a media analyst, suggested to publishers at a meeting in early 2008 that they might prudently plan for print classifieds to go to zero over the next five years. The performance is unlikely to be that bad – but the point is that print classified is nothing to count on any more.

Several subcategories within newspaper classified are experiencing especially hard times. Real estate has crashed and real estate advertising with it. This is particularly painful to papers in California, Florida and some cities that were raking in cash during the middle of the decade from the big ad budgets for new subdivisions and condos.

The troubles of the auto industry also hit particularly hard. The number of local dealerships is being reduced and those remaining get smaller advertising allowances from the manufacturers.

Beyond the classified debacle, there are other challenges:

● Retail has been hit by the wave of mergers, which may now have run its course. The loss of market share by traditional department stores (once the most prolific newspaper advertisers) to Wal-Mart and other discounters (who use newspapers only lightly) continues year to year.

● National advertising is by no means hopeless but depends on product cycles. For instance, there is still competition among the cell phone and broadband carriers that plays out in dueling full-page ads. Airline competition has cooled for now. The entire category is hurt by recession.

● From a small base, online advertising was growing at a robust rate of between 26% and 31% from 2003 to 2006. The rate of growth declined to 18.8 % in 2007 and then plummeted to 2 percent in 2008. The industry argues that this is mostly recession related but substantial doubts now exist about the effectiveness of web site display advertising and the rates it can command.

● Eroding circulation and increased competition have cost newspapers the ability to control prices. In better times, the industry could impose big rate increases on advertisers beyond inflation, even if circulation fell. Even now, rates are not discounted to match falling circulation, but holding even will be the best most newspapers can do in 2009.

Hunting for a few nuggets of good news in this rubble, here are several:

● Print still works for a number of advertisers. The stack of inserts jammed into most Sunday papers attests to that. Price point promotions and coupons can be replicated on the web but shoppers do not seem in a hurry to change.
As much as half of the current declines relate to the recession rather than changing media preferences. When the recession is over, sooner or later, there is a potential for bounce back, even in such disaster categories as real estate and cars.

With improving news websites, specialty sites like those for moms or nightlife and niche print publications targeted at youth or the luxury market, newspaper sales people have a rich array of options from which to sell a package solution to a given advertiser.

The percentage declines paint a depressing picture, but $38 billion is a pretty good residual base of business. Some of the hottest Web phenomena – YouTube, Facebook and Twitter, to take three examples – have all kinds of potential but no advertising to speak of yet.

**Cutting Costs Deeply and Broadly**

If advertising revenues go down 23% or more in two years and more declines are on the way, aggressive cost-cutting is a necessity rather than an option.

The newspaper industry has responded to its revenue crisis by ramping up the cost-cutting strategies of recent years and working on some new wrinkles.

Most obvious to the readers is the continuing reduction in newsroom staff and the space devoted to news. Along the way free-standing sections like business typically get so small that they are tucked into another. These changes are the focus of the next section of this report, News Investment.

A related money-saving strategy is to reduce the physical dimension of the printed newspaper, both the weight of the paper and the size of the pages. Our sense is that the present almost-see-through thickness that is widely used is about as far as most can go without becoming tissue-like.

The cycle of downsized pages, on the other hand, is likely to continue on during 2009. Though all but a few papers have resisted the option of converting to tabloid or the slightly larger Berliner format, the most radically trimmed are backing into dimensions only a bit larger. Most of the bigger holdouts – the New York Times, the Wall Street Journal and the St. Petersburg Times – did reduce their width in 2007 or 2008. Remaining wide-body papers like the Concord Monitor look a little odd and antique but can still capitalize on the options for photo display and design variations.

Using less paper was a particular focus because after several flat years, newsprint prices rose sharply from the end of 2007 through most of 2008 – going as much as 25% higher year-to-year. Minimizing paper consumption (together with circulation losses) defrayed what could have been a killer expense. Very soft demand eventually put an end to the increases. Rates peaked in early November, have fallen since and are expected to decline through 2009, but by a few percentage points, not by 25.

Another big target for savings was circulation, especially delivery. Here, too, price was a factor. Mid-year 2008 gas
prices of $4 a gallon or more got the attention of any managers who were not already figuring ways to cut the fuel costs of a delivery fleet. As with paper, the price situation had eased greatly by year-end, even if $2 a gallon gas is more a respite than a trend going forward.

A popular strategy, especially for metro papers (detailed in the Audience section of this chapter) is to trim circulation in the state, the region and even to more distant parts of the metro area. Those are the most costly papers to deliver and the audience is not of much value to local advertisers.

Newspapers are also finding ways to outsource circulation costs. The New York Times now routinely contracts with local papers to deliver its national edition. And, in late 2008, it took the step of shutting down the business it owned that delivered newspapers and magazines in the New York area. Other companies have contracted phone solicitations for new subscribers or even complaints about missed deliveries to call centers elsewhere in the country or abroad.

Other outsourcing strategies, started in late 2007 and continuing on through 2008, include moving overseas the jobs of composing, designing or laying out advertising, often to India, or subcontracting routine business functions like payroll to outside vendors.

More and more newspapers are quietly also leaving the business of printing their own papers. In fact a large segment of the industry seems to be reorganizing itself into those that want to continue printing and take on extra jobs and those that are ditching the function.

As the recession deepened, other tactics emerged, such as salary freezes and suspending company payments to retirement funds. Gannett announced that it would require all employees (up to the CEO) to take a week’s unpaid furlough during the first three months of the year. That practice seems likely to catch on and may at least signal that management, like outside critics, wants to avoid the solution of cutting staff and downsizing the print product again and again.

**Selling Assets**

For many newspaper companies, trimming operating costs is not enough. A next recourse may be selling assets. Some big papers are in process of selling all or part of their headquarters buildings. Among the sellers: the New York Times, the Chicago Tribune, the Los Angeles Times and the Philadelphia Inquirer. The Miami Herald has been trying to sell a large parcel of vacant land downtown.

In early 2009, Tribune was trying to sell the Chicago Cubs and the New York Times its 17.8 % share in the Boston Red Sox. Small television holdings or other stray businesses are also candidates for sales to raise cash.

Sometimes the assets are valuable and profitable businesses. Landmark Communications of Norfolk sold its Weather Channel subsidiary to NBC Universal and two private equity funds for an estimated $3.5 billion in June 2008. The St. Petersburg Times sold the book division of Congressional Quarterly in 2008 and put CQ itself, a family of information products about Congress and politics, on the block in early 2009.

As noted in the ownership section of this chapter, companies would be willing (and some are trying) to sell some of the
newspapers they own and pull back to one or two they consider core. The trouble is, though, that there is little buyer interest and those few potential buyers who may be interested are likely to have trouble finding financing.

**Omitting Print Editions**

For some papers, trying all of the above still is not enough. They may be operating at a loss or making a profit but not enough to make debt payments. Staying the course does not make sense.

In late 2008 and early 2009, several strategies emerged for such distressed papers.

One is to limit print publication — or at least home delivery — to certain days of the week and steer readers and advertisers to the online version on other days. Small-circulation papers in Madison and Superior, Wis., were first to make the shift. Then in the fall, the East Valley Tribune, serving the eastern suburbs of Phoenix, announced that it would print just Wednesdays, Thursdays, Fridays and Sundays (switching to free distribution), relying on its online version for the other days. At the same time, it discontinued coverage and distribution in the older close-in suburbs of Tempe and Scottsdale, focusing on the more remote and fast-growing communities of Mesa, Chandler and Gilbert.

Then in early November the Christian Science Monitor announced that it would become an online-only publication, except for a single, magazine-style weekend issue. The Monitor’s unusual business model relies almost entirely on circulation revenues and a subsidy from the Christian Science Church. It gets a minimal amount of advertising and thus was not sacrificing much revenue by eliminating print versions. Its readers tilt older, however, so there is some risk in trying to get them to follow to online.

The new publication schedule also solves a problem particular to the Monitor. Its modest circulation of just under 50,000 is scattered nationwide. That requires delivery by mail – and a noon deadline for midday delivery the next day, hardly a match to the growing expectation that news or analysis will be available as soon as it is finished.

In December, the joint operating agreement agency in Detroit announced that its papers will be home-delivered only three days a week (the Detroit Free Press on Thursday, Friday and Sunday, and the Detroit News on Thursday and Friday). The papers will print compact print editions the other days but they will be distributed only in racks and retail outlets.

The Detroit deal illustrates both the logic and possible perils of this strategy. The agency’s president and Free Press publisher, David Hunke, said that a majority of print ad revenues come from the Sunday and other late-in-the-week issues. So the move puts a comparatively modest amount of advertising at risk, and the papers can hope to retain some of that in the compact editions or move it to later in the week.

At the same time, the reduced print schedule will save on delivery and paper costs and probably allow some reduction in pressroom staffing. Of course, the savings fall well short of what could be realized by dropping print altogether in favor of online. That would take paper, delivery and pressroom costs to zero.

Hunke said that the big change made more sense than continuing to whittle away at staff and news space. He seemed to be acknowledging, without underscoring the specifics, that the move had substantial risks.
First, it is not a sure thing that the savings will outweigh the loss of advertising and circulation revenue. More subtly, there seems to be a problem in telling loyal seven-day-a-week subscribers that the print paper is expendable some days. Robert Dickey, president of Gannett’s newspaper division, told us in December that he was glad that nearly all Gannett papers (except the Free Press) are profitable enough that it was not necessary to try a strategy about which he has serious misgivings. Even if the early-in-the-week papers generate less advertising revenue, he said, they bring readers in and keep them around for the more profitable days at the end of the week.

Still, with the recession locking metro papers into losses, we expect to see more experimenting with a partial movement to online-only during 2009.

**Bankruptcy and Closing Down Altogether**

Two other responses to distress are strictly financial. Sam Zell’s Tribune Company led the way in December and the Star Tribune of Minneapolis has followed in filing for bankruptcy protection. That basically means that assets fall short of debts, and usually that operating income is not covering the cost of debt service.

But it is a little more complicated – typically the company filing is looking for a window in which it can partly repay some of its debts and shed some and then continue to operate a smaller company. Major lenders and smaller creditors may instead seek to oust management and force the sale of assets. It is hard to predict an outcome in the early phases of the proceedings. Meanwhile, the newspapers involved continue to publish.

A final option is simply to close an unprofitable newspaper. The Rocky Mountain News in Denver, owned by E.W. Scripps, took that course in late February 2009. Earlier, two Journal Register papers — in Bristol and New Britain, Conn. — had been threatened with closing, but Michael Schroeder, an experienced publisher, stepped forward at the last minute to buy them.

The owners of the Seattle Post Intelligencer (Hearst) and Tucson Citizen (Gannett) announced that those papers would be closed in the first quarter of 2009 unless a buyer can be found. Those two, like the Rocky are the weaker papers in a joint operating agreement, an arrangement that has not worked well in good times and whose weakness – trying to divide up advertising in a market that naturally supports just one paper — is further exposed in a recession.

Also in the early months of 2009, management at several metro papers – the Seattle Times, Denver Post and San Francisco Chronicle – have demanded concession from unions and threatened bankruptcy or closing should those negotiations fail.

Our guess is that there will be more bankruptcies and at least a few more closures this year.

**Will Online Ad Growth Resume or Other Rescue Prospects Emerge?**

We have posed the question in past reports of how quickly online advertising revenues (or those from other ventures) will need to grow to make up for declines in print advertising and print readership.

Our initial answer three years ago was that the base was so small that even growing a third a year (a hard pace to
sustain), online advertising revenues would not draw even with print advertising revenues until late next decade. Since then, print has gone from flat to falling quickly, but online growth stalled out too.

A consensus view within the industry is that online growth can rally after the recession, perhaps even get a second wind as technical improvements like a developing partnership with Yahoo make it easier for advertisers to place and target their sales messages. That is an enticing promise. Obviously, a higher volume of display advertising at higher rates is exactly what is needed to snap newspaper websites out of their business doldrums.

But it is now unlikely to ever reach the point where newsrooms could operate at the levels of newsgathering they once did, even after the cost savings of eliminating printing and distribution.

One of the few encouraging bits of advertising news in 2008 from McClatchy and others was that online display advertising rose sharply and that the first tests of the Yahoo system were yielding additional sales. Over all, however, online ad revenues declined slightly because much of it is still tied to a combination with print classifieds. And the industry has been sluggish about developing easy self-placement systems for online classifieds, which is part of the appeal of Google and other electronic rivals.

![Print vs. Online Ad Expenditures, Newspapers](image)

Design Your Own Chart
Source: Business Analysis and Research, Newspaper Association of America
Gannett and others are getting good results from specialized sites for moms and other audiences. Gannett now has a shared template among its 85 community papers for moms, local nightlife and high school sports. Each generates traffic and a high volume of free user-contributed content, plus a specialized audience of interest to local and national advertisers.

Audience for newspaper sites continues to grow at a healthy pace – by 12.1 % as measured by unique visitors per month in 2008 versus 2007. How much time those visitors spend on site is a mixed bag. Over all the numbers are low (10 minutes or less per month is typical) and, in some cases, declining, but that is influenced by the large volume of traffic that comes via search and may stay for only an article or two. Sites continue to add features – blogs, discussion chains, video and audio—that would encourage the interested user to linger.

So industry executives can argue, with reason, that they are developing their sites for future ad growth – even if the current business reversals mask that.

A second point of consensus seems to be that continued print advertising plus website advertising will likely not be enough to sustain a healthy business. So looking for other potential revenue streams is also part of the game plan.

Among the top prospects are downloadable versions of the newspaper to wireless devices like the Kindle, for which users would pay something but not as much for a print version.

Also serving news and advertising to mobile devices is considered a hot prospect, especially as the devices themselves like Apple’s i-Phone have improved in applications offered and readability of display. The New York Times reported that mobile page views rose from 500,000 in January 2007 to 19 million in May 2008.

Still there remain many details to be filled in, both in tailoring news reports to the specs of the medium and particularly displaying advertising and including a measure of geo-targeting.

In fact, the jury is very much out on how well online ads running alongside news content work for users. Many readers dip in and out of sites quickly; many considering a product or service go straight to a search or shopping site and probably are just as happy that no news is getting in the way of what they are looking for.

While all but a few sites (the Wall Street Journal and the Financial Times are the most notable exceptions) make access to all of their content free and have even dropped registration requirements, a number of save-the-industry essays in early 2009, including a Time magazine cover story by Walter Isaacson, a former managing editor of the magazine, advocated revisiting the decision to give away stories that are expensive to produce. He focused on ways to get readers to pay. A more promising option, less part of the debate at this point, may be negotiating with aggregators like Google as well as Internet service providers like Verizon to share revenue with news producers.

That is not totally out of the question but, as a practical matter, most newspaper publishers have built their current online ad base and future prospects on getting as many ad views as possible with content that is free and accessible through search.

All of this is meant to suggest that newspapers situation is by no means hopeless if (and it is a big if), they can weather
near-term challenges.

As noted at the beginning of this section, however, there are some grimmer scenarios that cannot be ruled out. What if audience begins to migrate much more quickly to digital formats, some newspaper-related but more not? What if the shift from traditional to digital formats accelerates and much of the business goes to non-news alternatives, some familiar and some yet to be invented?

Internet advocates like Morgan Stanley analyst Mary Meeker argue that there is plenty of “take-away” business still parked in print budgets that logically should be diverted to digital alternatives. 25 Our sense is that some sort of reallocation is happening only slowly during the recession but it might pick up momentum after.

Then the new-business-model heat would really be turned up on newspaper organizations. Can they find someone else to pay for what is most valuable in the news and analysis they produce as many traditional advertisers move on?

Footnotes

1. Newspaper Association of America, “Trends and Numbers” at NAA.org. Most recent figures are as of the end of 2007, adjusted for further losses in 2008.  4th Quarter projected at an 18 % loss.


3. Yahoo Finance

4. Newspaper Association of America, “Trends and Numbers” at NAA.org. Most recent figures are as of the end of 2007, adjusted for further losses in 2008

5. Newspaper Association of America, “Trends and Numbers” at NAA.org. Most recent figures are as of the end of 2007, adjusted for further losses in 2008


9. Newspaper Association of America, “Trends and Numbers” at NAA.org. Most recent figures are as of the end of 2007, adjusted for further losses in 2008


11. Newspaper Association of America, “Trends and Numbers” at NAA.org. Most recent figures are as of the end of 2007, adjusted for further losses in 2008

12. Lauren Rich Fine, Ethics Fellows Conference, Poynter Institute, March 2008
13. Newspaper Association of America, “Trends and Numbers” at NAA.org. Most recent figures are as of the end of 2007, adjusted for further losses in 2008


15. Joe Strupp, “Gannett Announces One-Week Unpaid Furloughs,” Editor and Publisher, January 14, 2009


22. Jennifer Saba, “Top 30 Newspaper Websites By Time Spent,” Editor and Publisher, February 24, 2009


Online – Intro

Introduction

By the Project for Excellence in Journalism

We may well look back at 2008 as milestone in the history of the Web as a news destination.

By various measures, the number of people who began to rely on the Web as a regular or even their main news source appeared to jump. For national and international news, according to survey data, the Web surpassed all other media except for television as a destination.

Some of the gains came from new news operations popping up, often subject-specific sites offering deep and rich content. Some came from mainstream news outlets enhancing their own content. Mainstream news sites still get the lion’s share of online audience and enjoyed major gains. And some of the growth is a matter of expanding access to broadband and people becoming more accustomed to the Web’s advantages in convenience, speed and depth.

But the rise in the Web’s news audience in 2008, even at legacy news sites, only added to the crisis in facing journalism.

For it also became patently clear during the year that the economic model largely responsible for financing journalism in the old media, advertising, will not do so in the new. Online advertising over all began to slow down, and display advertising in particular, the primary ad-revenue source for news, appeared to actually decline. The internals of the data look even bleaker still.

By all appearances, the limited prospects for online advertising that supports news in 2008 became a settled issue. Even worse, little progress appeared to be made during the year in developing any new revenue models, the biggest challenge the news industry faces in its fight for survival.

Instead, the industry seemed preoccupied, even early in the year, with simply trying to cope with declining revenue in its legacy platforms. Many companies simply cut costs at levels equal to their declining revenues. By fall, the deteriorating economy turned that structural crisis into something close to a terrifying free fall.

The combination of rising Internet audiences and the steep recession appears to be shortening the time line that the
traditional news industry now has to sort out its problems.

The challenge for the old media was to use their legacy revenue to figure out how to financially reinvent themselves on the Web.

Now, as that already-declining revenue dries up even faster with the recession, and the migration to the Web among audiences accelerates, the time left to sort out a new revenue model seems to be shrinking.

Among new alternative news outlets, the economic model looks no more promising. For all the experiments with new ways of reporting, producing, disseminating and sharing news content, most of the money to support them has come either from philanthropy or private individuals. There has been little honest assessment of economic sustainability.

**Content Analysis**

**Online Content**

*By the Project for Excellence in Journalism*

If the news agenda of legacy media is shrinking, the evidence suggests a broader and certainly more international flavor online.

In 2008, a year dominated by the presidential election and the economic meltdown, and when coverage of the Iraq war plummeted, the leading news websites provided the most coverage of events outside the U.S. borders. And some domestic issues beyond the economy and the election were also more prevalent online.

The presidential election and the economy certainly dominated. But they did so to a lesser degree online than in the media over all. And as a result, much as we found a year earlier, the five leading news websites also offered more coverage of foreign news among their top stories and other matters as well.

Online, time of day also matters. Users who went to a site early in the day were more likely to see foreign news coverage than those who went to the same site late in the day.

The focus of each site's leading news coverage varied. The Web aggregator sites differed significantly from each other, and varied even more from those tied to legacy news operations. Yahoo News, for instance, was much more focused on the three major storylines of the year. Google News, by contrast, offered the largest amount of foreign news coverage.

But they also shared certain characteristics that distinguished them from other media, too.

These are all among the findings of a yearlong examination of the five most popular news sites, some 6,539 stories, over 262 days. The sites examined were AOL News, CNN.com, Google News, MSNBC.com and Yahoo News.

**Online as a Source for International News**

The top online news sites got somewhat less international in 2008 than they were the year before.
In 2008, 18% of the news coverage on leading online news sites was about non-U.S. international stories, down from the 25% in 2007.

And another 9% was about U.S. foreign affairs, down from 22% in 2007.

But this was still significantly higher than any other media sector in 2008. In the media generally, 10% of news coverage was about international affairs not involving the U.S. and another 6% was about U.S. foreign affairs.

Over all, seven of the top-10 stories of the year on the websites studied were international events. In the overall media five were.

One of the major reasons for the decrease in U.S.-related international coverage online was a decrease in attention paid to Iraq. In 2007, Iraq made up 17% of the online news coverage and was by far the biggest story of the year. In 2008, Iraq made up only 4% of online news coverage.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Topic</th>
<th>Online</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Election*</td>
<td>25%</td>
<td>36%</td>
</tr>
<tr>
<td>2</td>
<td>U.S. Economy †</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>3</td>
<td>Iraq War ‡</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Pakistan</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Olympics</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Domestic Terrorism</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Afghanistan</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Georgia/Russia Conflict</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Israeli/Palestinian Conflict</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Zimbabwe Elections</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: PEJ, A Year in the News, 2008
* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.

Online, Iraq was replaced as a major story by events in a host of other hotspots. Pakistan, for instance, was the fourth-biggest story of the year on the news websites studied. Other than online, only the newspaper category had Pakistan in its top-10 stories of the year (at No. 8).

Other foreign stories that received more attention online than anywhere else included the Georgia/Russia conflict, the Israeli/Palestinian conflict, the internal unrest following elections in Zimbabwe and the major earthquake that hit China. (In 2007, Pakistan and the Israeli/Palestinian conflict also received more coverage online than in any other sectors.)
As elsewhere, online the No. 1 story was the presidential election. But here it filled only a quarter (25%) of the newshole on the news sites rather than the 36% in the media generally. Only newspaper front pages (23%) were lower.

News websites generally feature one or two stories most prominently on their home pages at a given time, and the election was the biggest focus in those stories through the year as well. Almost a third (29%) of lead stories on the news home pages were about the election. One example occurred on April 30, when Yahoo News led with a picture of Barack Obama giving a speech condemning inflammatory comments made by his former pastor. The story had the headline, “Obama Tries to Dig Out: His candidacy is reeling from Jeremiah Wright’s comments. Now Obama is dropping nuance and showing some fire.” The headline then linked to an analysis by Time magazine reporter Karen Tumulty that Obama had been facing a series of setbacks including the controversy over Wright.

### Frame of Campaign Coverage

<table>
<thead>
<tr>
<th>Percent of Campaign Newshole</th>
<th>January 6-November 3, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online</td>
<td>Media Over all</td>
</tr>
<tr>
<td>Political Horse Race</td>
<td>63%</td>
</tr>
<tr>
<td>Other Political</td>
<td>9</td>
</tr>
<tr>
<td>Policy</td>
<td>12%</td>
</tr>
<tr>
<td>Personal</td>
<td>5</td>
</tr>
<tr>
<td>Public Record</td>
<td>4</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: PEJ, A Year in the News, 2008

With online’s tendency toward breaking news, its focus of the presidential campaign coverage was even slightly more horse-race-focused than the media over all. From early January until Election Day, 63% of online campaign coverage was on the political horse race, which was more than the 57% in the media over all. (Meanwhile, 12% of the online coverage about the campaign was about the policy elements of the campaign, which was almost the same as the media over all, 13%.)

In part because of their greater tendency to focus on horse race, the leading news websites also tended to offer more coverage favorable to the candidate ahead in the polls than the press generally. During the last eight weeks of the
campaign (September 8-November 2), 47% of the stories focused on Obama were positive (up from 38% in the press over all), 30% were neutral (vs. 34%), and 22% were negative (compared with 27%).

In contrast, Republican nominee John McCain received more negative coverage online than in the media generally. Almost two-thirds (64%) of campaign stories on the top websites focused on McCain were negative, which was more than the 57% of campaign stories in the media over all. Only 8% of online campaign stories about McCain were positive compared with 14% over all.

**Domestic Subjects**

Just under three-quarters of the top story coverage online was about domestic affairs (73%). While that was up substantially from the year before (53%), it was still low by the standards of the year (in the press over all it was 83%).

The primary reason that online still offered less domestic news than the media in general is that the top news websites had less coverage of the election and economy. Together, 39% of the online coverage was devoted to those stories compared to 51% of the media over all. The only sector that was close to online was newspapers (42% devoted to those two subjects).

The answer is in part tied to one of the strengths of online news — the ability for the sites to update stories frequently throughout the day and report breaking information almost instantly.

**Top Broad Story Topics: Online vs. Media Over All**

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>Online</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elections/Politics</td>
<td>22%</td>
<td>34%</td>
</tr>
<tr>
<td>Foreign (Non-U.S.)</td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>Economics</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>U.S. Foreign Affairs</td>
<td>9</td>
<td>6</td>
</tr>
<tr>
<td>Crime</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Disasters/Accidents</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Government</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Business</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Health/Medicine</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>U.S. Miscellaneous</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: PEJ, A Year in the News, 2008

While elections/politics (at 22% of the newshole) was the largest single topic covered online, that number was smaller
for websites than for any other media sector except for newspapers (also at 22%).

Economic coverage was the second-largest topic area covered by online news sites at 12%, while business news was an additional 4%. Many of these stories would focus on breaking economic news that would hit the homepages soon after being announced. At approximately 4 p.m. Eastern Time on September 16, for example, the homepage on AOL News led with a breaking story that the Federal Reserve had decided to not cut interest rates despite the previous day’s big drop in the stock market.

But on a litany of other domestic topics, the Internet news sites studied actually offered among the highest amounts of coverage. And a good deal of this may have something to do with the orientation of Web news sites to events that are fast breaking.

Crime reporting, at 6%, for instance, was higher than all of the other media sectors studied except for cable television, also at 6%.

Also at 6%, disasters and accidents were reported online more than any sector except for network television (at 7%). These types of breaking stories, such as the tornadoes that struck on February 5 (Super Tuesday for the presidential primary campaign) were often among the lead stories that websites promoted as breaking news.

**Morning vs. Evening Coverage**

Web sites are unique among news products in that they can be updated and viewed at any time. A person who visits a Web site in the morning may find very different lead stories from one who visits the same site in the evening. What differences might one find?

Beginning April 28, 2008, and going through the end of the year, PEJ rotated the times that we captured websites each weekday. On one day the websites were captured between 9 and 10 a.m. Eastern Time, and on the next day they were captured between 4 and 5 p.m. Eastern Time.

Having this rotation allows us to discover how different the news agenda might be for users who visit the sites at the beginning and end of a typical workday on the East Coast. The differences, while relatively minor, do suggest that certain late-breaking stories become more prominent later in the day, while foreign coverage is more present early in the day, with much of the world hours ahead of the U.S. news cycle.
The biggest difference between morning and early evening is that there is significantly more international news early in the day. A fifth (20%) of the top news coverage online in the morning on the East Coast is non-U.S. international stories compared to 15% later in the day. This may be due in large part to the differences in time zones since many overseas visitors to those sites are more likely to view the sites during early morning in the United States.

### Differences Between Sites

The mix of online outlets studied is more diverse in structure and news process than any other genre studied. The online sample for PEJ’s leading news sites consists of two types of sites: aggregators (Google News, Yahoo News and AOL News) and sites that are tied to other news organizations (MSNBC.com and CNN.com). (Starting in 2009, given a growing shift in audience to online news, the PEJ sample will include 12 websites rather than these 5). PEJ discovered that in 2007, despite the similarities in the way a site chooses its leading news stories, the subject matter between similar types of sites can differ significantly. This same pattern also held true in 2008.
PEJ's content analysis includes the three most popular aggregation sites—Yahoo News, AOL News and Google News. Of the three, Yahoo News, which uses human editors to select its stories, was much more focused on a few major stories throughout the year. AOL News, which also uses people to make the story selections, was the most focused on a wide range of domestic news. Google News, which employs computer algorithms to decide which stories are most prevalent, was the most international.

At Yahoo News, over half of the top story coverage (51%) was about the three major storylines of the year—the presidential election, the economy and Iraq, compared with 37% for Google News and 32% for AOL News.

At AOL News, domestic news filled 79% of the space among the top stories during the year (compared with 66% at Yahoo News and 61% at Google News). But the election was filled the least of this top newshole, just 20%, less than both Google News (26%) and Yahoo News (24%).

At Google News, the rest of the world was a bigger story (non-U.S. coverage filled 28% of the newshole studied). Eight of the top 10 stories of the year for Google News were international events.
Who Produces the News on Aggregator Sites

Because AOL, Yahoo, and Google produce little to no original content on their news sites, they all rely heavily on wire stories such as those from the Associated Press or Reuters.

For Yahoo, 86% of its coverage was from wire services, compared to 90% for AOL. Google linked to many wire stories, but 79% of its leading news coverage was from news organizations other than wire services compared to 21% that was from wires. These other news sources encompassed a wide range of outlets from the New York Times to CNN to international-focused sites like the BBC and the Voice of America.
These numbers are similar to what we found last year with one exception, at Yahoo. In 2007, almost all of Yahoo's leading news coverage (98%) came from wire stories. That number fell in 2008 to 86%. Much of this change came from more copy being featured from two sources, Politico and Time magazine, such as a March 26 Time interview with Hillary Clinton, in which she described her plan to win the Democratic nomination for president despite trailing Obama in delegates by a slight margin at the time.

Site Differences — Sites Tied to Legacy Media

Two of the sites in the yearlong study, CNN.com and MSNBC.com, were tied to the legacy media of cable news channels.

While the television channels associated with these sites differ more markedly according to our content studies, (see Cable TV Content Analysis for more) the two websites are quite similar in news judgment.

Each site gave roughly the same amount of coverage to the top three stories of the year. (CNN.com gave 28% to the presidential election, for instance, and MSNBC.com gave 26%.)
Both CNN.com and MSNBC.com also split similarly between foreign and domestic topics. CNN.com devoted 21% of its newshole to foreign topics compared with 23% for MSNBC.com.

And how did the two websites compare to their cable channel siblings on television? To begin with, neither website was as election-heavy or domestically focused as their cable channel counterparts.

**Story Selection: MSNBC Online vs. MSNBC Cable**

2008 Coverage of Big News Events

![Chart of story selection](chart.png)

- **Election**
- **U.S. Economy**
- **Iraq War**
- **2008 Olympics**
- **Blagojevich Scandal**

**Design Your Own Chart**

Source: PEJ, A Year in the News, 2008

Election includes stories about the campaign, results, and the transition.

U.S. Economy includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae.

Iraq War includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.
Story Selection: CNN Online vs. CNN Cable

2008 Coverage of Big News Events

Design Your Own Chart

Source: PEJ, A Year in the News, 2008

Election includes stories about the campaign, results, and the transition.

U.S. Economy includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae.

Iraq War includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.

The election was the largest story of the year for CNN.com (28%) and MSNBC.com (26%), but those paled in comparison to the level of coverage on CNN’s cable channel (55%) and MSNBC’s cable channel (72%).
On the other hand, both websites devoted significantly more time to the other top stories of the year – the economy and Iraq. MSNBC.com devoted 16% of its leading news coverage to the troubles with the U.S. economy and 5% to Iraq, while the cable television station devoted 7% to the economy and 1% to Iraq. CNN.com devoted 17% to the economy compared to 12% on the cable channel and 4% to Iraq compared to 1%.

CNN.com and MSNBC.com offered more overseas news than their cable television siblings. More than three-quarters (79%) of the leading news coverage on CNN.com was focused on domestic topics, compared to 91% on CNN’s cable channel. On MSNBC.com, that number was 77%, but still less than the 96% of domestic coverage on MSNBC’s cable channel.

Beyond that, CNN.com and CNN both emphasize breaking news. On the CNN.com homepage, the latest headlines are featured prominently on the page with one story usually getting the clear top billing because of a large picture and sizable headline. Most of these headlines come from CNN’s own reporting. The homepage features a list, updated every 20 minutes, of the most popular articles on the site. CNN.com also offers ample opportunities for users to watch streaming video clips that accompany the news stories of the moment. Below the top lists of breaking stories, CNN.com has sections for two headlines for various groups of news (such as “World,” “Entertainment” and “Science”). The site also has links to blogs and podcasts produced by some of CNN’s television personalities, but those are not as prominently placed.

Another area that CNN experimented with a great deal in 2008 was its iReport section. While this section was not included in PEJ’s study of the main news stories on the site, iReport is a way that users could upload their own videos and share their stories and first-hand experiences with other users.

MSNBC.com, on the other hand, has built its own identity, while also trying to be the home for both NBC and MSNBC on television. The site offers a combination of breaking news along with longer pieces from Newsweek and prominent links to the various NBC and MSNBC television-related websites. Multimedia features are prevalent on the site, as they are on CNN.com, although, unlike CNN.com, MSNBC.com will often feature multiple stories on the top of the page with pictures and story teasers rather than focusing only on one or two developing stories. Beneath the top stories on the page, MSNBC.com also has sections devoted to specific topics, but, unlike CNN.com, the sections include six or more headlines along with multiple video news reports for each section. MSNBC.com does have a way that users can send in pictures to the site, such as photos of their favorite locations to NBC’s Today Show, but it is not as prominent or unfiltered as CNN’s iReport section.

Footnotes

1. Comparing to the previous year, the makeup of the sources for the news for Google and AOL was virtually unchanged. For both 2007 and 2008, 90% of AOL’s coverage was wire news while Google changed only slightly, from 17% wire coverage in 2007 to 21% in 2008.
Introduction

The Web in 2008 became a regular and even primary news destination for more and more Americans.

Several surveys found that the number of Americans who used the Web regularly for news jumped. And at least for some news the Internet has now overtaken most other media as a favored news delivery platform.

One poll, in December 2008, found the number of Americans who said they got “most of their national and international news” online increased 67% in the last four years. 1 The presidential election was almost certainly a key factor in the growth. More than a third of Americans said they got most of their campaign news from the Internet in 2008 — triple the percentage in previous presidential election year. 2

The growth in online news consumption cut across age groups, but the growth was fueled in particular by young people. Young voters and activists now rank the Internet as a news source of importance parallel to television. 3

And the shift was likely not just a matter of changing audience tastes. News organizations and the political community both were also more aggressive about delivering news and information online, and giving consumers more ways to gather, organize and share it across multiple devices. From personalized news pages sent to a person's e-mail, delivery of content on “smart” mobile phones, news-ranking sites that list the most-recommended news stories and more sharing of content among news producers, what was available from the traditional news media digitally was richer, even if much of this was the same information simply made more readily available.

Add to that social networking sites like Facebook. And the video site YouTube also became a major delivery system for people to get news posted and recommended by friends and associates, and often from political campaigns. The Obama camp reported more than a billion minutes of campaign-produced material was downloaded from YouTube. And Youtube reported that the Obama campaign’s 1800 web videos were viewed 100 million times in total. 4

Internet News Use

By any number of yardsticks, the traffic to news websites jumped in 2008.

According to a PEJ analysis of comScore data, the average number of unique visitors to the top 50 news sites each month grew 27% in 2008 over the year before. 5 The number of monthly unique visitors to all 700 news and information sites measured by comScore grew 7%.

Comparing one media platform to another can be complicated, given the different ways different media are measured. Often the clearest reference is found in survey data.

According to Pew Research Center data, as of August 2008 the percentage of Americans who went online regularly for news (at least three times a week) was up 19% from two years earlier to nearly four in ten Americans (37%). No other medium was growing as quickly. Most saw audiences flat or declining.
The new numbers put the Web ahead of several other platforms for the first time. In the same August survey, 29% of Americans said they “regularly” watched network nightly news, 22% watched network morning shows and 13% Sunday morning shows.

The percentage of Americans who relied on the Internet regularly, according to this data, was now roughly similar to that who regularly watched cable television for news (39%).

More people still read a newspaper “yesterday” (34%) or listened to news radio (35%) than had viewed news online “yesterday” (29%). But the gap was narrowing.6

The biggest jump came in the number of people relying on the Web for national and international news in particular. In December, 40% of Americans said they got most of their national and international news online, up 67% from 2004, the last presidential election year, when the number was 24%. That put the web ahead of newspapers (35%). Only television, cable, local and network combined, ranked higher (70%).7

Other surveys reinforced the notion of a jump in online news consumption. In November 2008, for instance, the Pew Research Center’s Internet & American Life Project found 36% of Internet users said they now used the Web for news on a “typical day,” a 16% jump from two years earlier (December 2006) when the number was 31%.

The numbers, it is important to note, refer to the platform by which people acquired their news, not the source gathering it. Virtually all of the most popular news websites are those associated with traditional news organizations, whose legacy platforms are paying for the news gathering, or are aggregators, which collect content from traditional newsrooms and wire services rather than produce their own. But given the financial implications of the Web on the news business, the numbers are no less significant.

This growth in online news consumption was not due to more people using the Internet generally. The percent of people who go online for any reason has held fairly steady at 70% to 75% of the U.S. population since 2006.

But those who go online do it more often and for longer periods of time than in the past, and they increasingly seek news. Since 2004, for instance, the percentage of online Americans saying they went online “yesterday” increased from 58% to 72%. And the number logging on multiple times a day from home jumped from 27% to 34%.8 Another study found that over the last three years, the amount of time the average user spent online increased from 14 hours a week in 2006 to over 17 hours as of January 2009.9

Consider that that in January 2009, the Digital Future Report from the University of Southern California’s Annenberg School found that 79% of adult users said the Internet was now their “most important” source of information (not just for news), higher than television (68%) or newspapers (60%). Getting news online, in other words, has become more of a reflex and a larger part of people’s daily lives.10

For all this, one other factor has remained constant in Internet news trends: the people who go online for their news tend to be more educated. That has not changed over the last decade even as the number of online news users has grown.

Ten years ago a college graduate was more than three times as likely as someone with a high school education or less
to regularly go online for news. That gap remains just as large today. Fully 61% of college graduates go online for news at least three days a week, compared with just 19% of those with no more than a high school education. 11

Beyond demographics, the accelerating move by audiences generally to the Web just deepens the paradox facing the news business.

As their audience migrates online, and the old media continue to build their offerings there to service them, the media are properly developing their market share in the new media environment. The more success legacy news operations have online, however, the more damaging it is to their current revenue base, since the Internet increasingly cannot pay for itself from any of the current economic models (see Online Economics).

**Internet Audiences and the Election**

Almost certainly a major reason for the surge in online news consumption in 2008 was interest in the election. While television remained the dominant delivery source, the percent of Americans who said they got most of their campaign news from the Internet tripled between October 2004 and October 2008. Fully a third (33%) reported getting most of their election news online, up from the 10% who did so four years earlier. 12

By the last week of the election, 59% of voters said they had sought out or encountered at least some political information online. 13

Young people were a major factor in that growth. Nearly three times as many people ages 18 to 29 cited the Internet (49%) as their main campaign news platform as mentioned newspapers (17%). 14

Among those over age 50, nearly the opposite was true: 22% relied on the Internet for election news while 39% look to newspapers. Even with that, compared with 2004, use of the Internet for election news has increased across all age groups. Among the youngest cohort (age 18-29), television has lost significant ground to the Internet. 15

**Most Popular News Sites**

Which news sites were enjoying this boost in traffic? The evidence suggests growth across a range.

To some extent, the biggest Web sites got even bigger. The top four news sites alone, for example, increased their audience by 22% in 2008, according to data from comScore, or a combined 23.6 million visitors a month. That rate of increase is more than twice as fast as in 2007 and more than five times the rate in 2006. At Yahoo News, the most-visited news site according to comScore, the number of visitors rose by 13% for the year. The number rose 24% at No. 2 MSNBC.com, 34% at No. 3 CNN.Com, and 20% at No. 4 AOL News.

(Tracking the exact order of which of these sites is first, second or third is complicated by the fact that the different measuring agencies use different methodologies, but all show substantial growth).

The traffic data also suggest that a host of niche sites that barely registered or did not exist during the previous presidential election also benefited. Huffingtonpost.com, a news aggregator, producer and blogging website, for
example, catapulted into the 20 most-visited sites in September 2008, according to data from comScore, with 4.5 million users during the month, an increase of 474% compared with September 2007. 16

Politico.com, which started in 2007 (see New Ventures Section) with a focus on national politics, increased fivefold to 2.4 million visitors between September 2007 and 2008. RealClearPolitics.com, which aggregates political news and polling, grew 489% during that period. 17

But even with those gains, traffic to those sites remained a fraction of what the leading news sites drew. As a group, HuffingtonPost.com, RealClearPolitics.com and Politico.com drew an average of 3.9 million more visitors per month in 2008 than in 2007. To put that into perspective, Yahoo News.com gained 4.5 million by itself. The evidence clearly suggests that while a variety of new sites grew, in general, the big got even bigger, extending their share of Internet traffic.

After the election, some of these niche sites were more successful than others at retaining those audiences. In
December, the Huffington Post still drew 81% of the viewers it did in September and October, when interest in the campaign was highest. Salon.com, the left-leaning online magazine, retained 77%. Two newer sites, however, did not do as well. Politico's website kept just about half its audience. And the Real Clear Politics website, which had grown in advance of the election, kept only 21%. 18

Top News Sites (Nielsen)

Average monthly unique visitors, 2007 vs. 2008

Design Your Own Chart

Source: Nielsen Online
Top News Sites (comScore)
Average monthly unique visitors, 2007 vs. 2008

<table>
<thead>
<tr>
<th>Website</th>
<th>Domain</th>
<th>Rank</th>
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<td>The Washington Post</td>
<td><a href="http://www.washingtonpost.com">www.washingtonpost.com</a></td>
<td>10</td>
</tr>
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</table>

Source: comScore, Inc.

Note: Hitwise's methodology ranks popularity according to percentage of total traffic a website attracts.
New Modes of News Consumption

Not only were more people getting their news from the Internet in 2008, but they also were doing it in new and different ways, much of it enabled by news organizations developing more ways of disseminating their content. Mobile viewing, the sharing of stories on social networks and video sites, and posts on a multitude of microblogs became more widespread in 2008 while earlier tools like e-mail and RSS remained popular. By compiling, sharing and customizing the news they consume, people in a sense are becoming not only their own editors, but also critical agents in the trajectory of a news story.

Mobile News

The technology that got some of the greatest attention in 2008 was mobile phone communication. Purchases of iPhones, BlackBerries and other smartphones grew rapidly in 2008. In the first quarter of the year alone, smartphone sales totaled 7.3 million units, a 106.2 percent increase from the same period in 2007. And news outlets began more aggressively to take advantage of this digital platform to deliver instantly updated text, audio and images.

The Pew Internet & American Life Project found in March 2008 that 62% of all American adults had used the Internet through a wireless connection: 58% had used their cellphone or personal digital assistant for things other than talking; and 41% had logged onto the Internet away from home or office with a handheld devices or laptop computer. Many, of course, had made such connections both ways. By the end of the year, according to Nielsen Mobile, there were about 40 million active users of the mobile Web. That amounts to one-fourth the universe of the 160 million adult using the Internet on computers.

With that large and growing usage, mobile phones seem destined to become a major mode of information delivery. Two challenges face news companies as a consequence. First, they must compete with the dozens of other applications available for smartphones, such as navigational aids, music sites, games and video viewers. Second, they need to find a way to make money on a platform that may be even less suited than computers to display advertising.

While the traffic numbers are there, and despite much talk of mobile advertising revenue, ads have as yet proved difficult to display in this platform and the question of how audiences would receive them remains unanswered. And if it is not going to be advertising, is there another revenue source for news from mobile? Like much of the digital revolution, that is unclear.
Still, several major players have moved to accommodate the mobile technology. The New York Times and the Associated Press have invested heavily in delivery options for users of smart phones. Both are primarily focused on attracting mobile users to their content with the hope that a model for making money will follow.

The New York Times began preparing its content for mobile phones in 2006. By July 2008, it had an active mobile Web page with downloadable tools, including an application for the Apple iPhone and Amazon’s Kindle, a digital reader that delivers print in a user-friendly and eye-friendly format.

The Associated Press’s Mobile News Network, opened in May 2008, provides access to international, national and local news from a network of local media sources and its own Washington and foreign correspondents. The project cost millions of dollars to start, according to Jeff Litvack, the AP’s global director of news media markets.

Mobile phone users can access the Mobile News Network by visiting its mobile site. The application provides continually updated news, photos and video.

The Mobile News Network is the first product released by the AP’s Digital Cooperative, an initiative aimed at finding new digital outlets for news and information produced by AP members. The network was initially tailored first for the iPhone to take advantage of the device’s multimedia capabilities. But later in the year the network created applications for other smartphones, including BlackBerry. In September, the mobile network content received more than 26 million page views.

The AP said the network attracts revenue for its members from two streams: local ads sold by member news organizations and national ads sold by national ad networks contracted by the AP. The net revenue is split between the provider of the content, a local news organization or AP staff, and the seller of the ad, which could be the news organization’s ad staff or the AP’s national ad network. For example, if the Nashville Tennessean gets a story on the network that is accompanied by an ad placed by the national ad network, the revenue gets split between the Gazette and the national ad network. But if the same story is accompanied by an ad sold by the Gazette’s sales staff, the Gazette gets to keep 100% of the proceeds.

The trend is not limited to national-scale news producers. The Cincinnati Enquirer in 2008 maintained a mobile website that offered personalization options and the ability to receive customized text messages. The Enquirer’s mobile website gets more than 500,000 page views per month.

Mobile technology jumped forward in 2008 as Apple released its iPhone with 3G, and Blackberry followed with a 3G phone of its own. The 3G technology gives fast access to the Internet and e-mail over cellphone networks worldwide. The high-bandwidth network also makes it possible to more efficiently surf the Web, download e-mail, get directions and watch video.

In October, Google released its open-source operating system, Android, which can be run on almost any mobile phone. It can essentially make any smartphone perform the same functions as an iPhone. It offers free wireless use and allows
for easy addition of applications from anyone who takes the time to create one.

Applications, or apps, are Web-based tools that allow users to do anything from streaming video to finding nearby restaurants. Apple had 1,700 applications for sale by late 2008, and its technology strictly limits where users can obtain applications.

Google, by contrast, hopes its open-source approach, which allows anyone and everyone to develop applications, will eventually challenge the popularity of the iPhone.

(Google has not publicly discussed its revenue model for Android. Reportedly, the company is going to incorporate its online advertising platforms within Android’s applications. 30)

**Social Networking**

A growing number of internet users also turned to social networking sites such as MySpace and Facebook to share information in 2008. These sites allow users to create profiles and swap messages, photos and links to other Web pages with a circle of friends. During 2008 alone, the number of people visiting social networking sites grew by 9% to 104 million. 31

Fewer in number than the people using mobile phones, social networking appears to be especially popular among the young, African Americans and liberal Democrats. 32

In August 2008, 30% of those with social networking profiles said they at least occasionally got local, national or international news through these sites. 33 About a quarter said they share news on their network pages.

**Micro-blogs**

Americans also turned in greater numbers in 2008 to “micro-blogs” like Twitter for breaking news. Twitter is a digital social networking service that allows its users to send and read other users’ messages — usually text messages of no more than 140 characters in length.

Between December 2007 and December 2008, unique visitors to the site grew more than tenfold, to 2 million. That compared to 20% growth between December 2006 (soon after it launched in July 2006) and December 2007, according to comScore.

By 2008, the journalistic applications for Twitter became more apparent. Producers of content have found value in offering one-line descriptions that link to larger pieces of work. News audiences turned to Twitter feeds for eyewitness accounts of real-time events. When gunmen stormed hotels and other sites in Mumbai (the former Bombay) in November, twitter.com was flooded with entries from users in the city who provided updates based on their observations on the ground.
Forbes.com called the news event “Twitter’s moment.” Users typed regular updates “with information or commentary on the crisis, turning a service that specializes in distributing short, personal updates to tight networks of friends and acquaintances into a way for people around the world to tune into personal, real-time accounts of the attacks.”

Twitter also became a popular tool for reading real-time accounts of the 2008 political conventions, the Israeli invasion of Gaza that began in December 2008 and the January 2009 crash-landing of a US Airways passenger jet in the Hudson River.

Google bought a service in 2007 similar to Twitter called Jaiku, which allows users to view messages in chronological order across a timeline.

News Ranking Websites

Still another way of consuming news online, news-ranking websites, such as reddit.com and digg.com, grew in popularity as well in 2008. These news Web sites not only display news stories, but they also allow users to vote on their favorites and “push” the most popular news stories to the top of the communal Web page. Still, only a small share of Internet news consumers (5%) say they have ever used one of these sites to find news stories.

The relatively small group that uses these sites is disproportionately young and male. According to one survey, 11% of
men younger than 30 who go online for news say they use news-ranking websites to find stories. Only 3% of the women in that age cohort did so, however, and only 4% of male online news consumers over 30 used them. 35

**E-mail**

E-mail, among the oldest digital formats, also continued to grow in 2008 as a way for citizens to share news with friends. As of August 2008, the sizable majority of those who went online (68%) said they had been e-mailed a news story by a friend or associate, up from 61% in 2006, according to data from the Pew Research Center for the People & the Press. 36 Fully 27% of Internet users said they received an e-mailed story in the past week. And nearly half of Americans (47%) said they themselves had sent a news story to someone, up nearly 18% from 2006, when the number was 40%. In addition, about 15% of Americans say they receive e-mail news alerts and summaries via their inboxes.

**Customized News**

By 2008, more Web news consumers than ever before were also taking advantage of online tools to tailor the news to their needs or tastes. Such customization tools allow people to set up Web pages with their favorite subjects and sources, or to receive e-mail alerts tailored to their interests.

By the summer of 2008, about half of online news users (44%) told a Pew survey that they were using some kind customization tool to acquire news. 37

That might have taken a number of forms. For instance, the survey found that 22% of Americans say they have a customizable Web page that includes news items. 38 These can be as simple as an AOL home page that is adjusted for the local weather forecast to a newspaper Web page programmed to highlight local news to a self-designed home page tailored to specific interests.

**RSS**

Many of those who customize their news use RSS, which stands for really simple syndication. The technology allows users to create their own news pages that automatically update such things as the score of favorite sports teams, news stories on topics or by certain sources, local traffic conditions, blogs and other material. According to the Pew survey in the summer of 2008, 7% of Americans said they used the technology.

The more time people spend with news online, the more likely they are to create such self-tailored page. About a third (36%) of Internet news users say they have a customizable Web page. But among the heaviest Web news consumers — those who go online for news daily — fully 44% say they have a customizable web page that incorporates news items. 39

While RSS has continued to be used, other new options have become more prominent, and RSS, according to Media Analyst Rick Edmonds of the Poynter Institute, has not met “the big claims being made for it several years ago.”

**Activities online**

Beyond news, how do Americans divide the whole of their time on the Internet? The bulk of time (45%) was spent
accessing content, be it news, music or visiting Wikipedia. They divide the rest of their time among four activities: conducting Internet searches (5%), making online purchases (13%), communicating (28%) and visiting social networking sites (9%).

Although these figures suggest people spend a very small amount of their time searching (searches usually take seconds to execute), such searching is something virtually all Internet users do. As of November 2008, about 86% of Web users reported having ever used a search engine. And about half of Web users engage in search on a typical day.

**Conclusion**

Was 2008 a breakthrough year for online traffic or a unique event? Certainly the trend lines continued — and at a faster pace. The answer should come soon enough as to whether the election was a transformative moment for the Internet or
a one-time news event unusually well suited to the Web’s strengths.

Our sense is that we will look back on 2008 as a year that catapulted the Web audience to new, sustained levels. If so, it will have also deepened the paradox of the Internet. While it intensified interest in news, the shift to online news consumption also accelerated the dismantling of the economic foundation for gathering the news. The question going forward, then, becomes an even more desperate effort to monetize that Web audience.

**Footnotes**


5. This figure is based on PEJ’s analysis of comScore media Metrix data. It represents mean unique visitors of the top 50 websites, excluding weather, entertainment and other specialty sites (another leading internet audience measurement company, Hitwise, calculated a similar audience growth of 23% in its “news and media” category).


10. If forced to choose, a different survey found, consumers would rather keep their Internet or wireless service and give up their cable subscriptions or landline phones. According to the October 2008 report by Toronto-based Solutions Research Group, “Many consumers, with minor exceptions, view [Internet and wireless access] as essential utilities like water and electricity.” (Wendy Davis, “Survey: In Tough Times, Internet Still Seen As Necessity,” Daily Online Examiner, October 23, 2008)


18. PEJ Analysis of 2008 comScore web traffic data


20. ComScore obtains its estimates of the online population through a survey of randomly selected Americans


28. Interview with Jeff Litvack, AP’s global product development director, February 5, 2009


31. Online Publishers Association Internet Activity Index
32. Fully 65% of people 18 to 24 say they have a profile on MySpace, Facebook or another social networking site. That is 82% of those who go online at all. Only about half as many people in their early 30s who go online have created social networking profiles (41%). Among older age groups, much smaller numbers have created profiles. African Americans who go online are much more likely than whites to have a profile on a social networking site: 44% vs. 29%. Roughly 4 in 10 liberal Democrats (43%) who go online — and 32% of self-described liberal Democrats over all — say they have a profile on social networking site. That is twice the percentage of conservative Republicans who have social networking profiles. (“Key News Audiences Now Blend Online And Traditional Sources,” Pew Research Center Biennial News Consumption Survey, Pew Center for the People & the Press, August 17, 2008)


40. Communication is defined as visits to Web sites and Internet applications that are designed to facilitate the exchange of thoughts, messages, or information directly between individuals or groups of individuals. Examples include web-based email, instant messaging services, and online listservs. Online Purchases are defined as Web sites and Internet applications that are designed for shopping online, like Amazon.com or eBay.

41. Online Publishers Association Internet Activity Index


44. ComScore obtains its estimates of the online population through a survey of randomly selected Americans
Economics

By the Project for Excellence in Journalism

The most important issue facing journalism is whether the Web will ever deliver the kind of revenue that legacy platforms once did.

If there were doubts before, 2008 made it all but certain that the traditional advertising revenue model — retail, display and classified from print, and traditional image video ads from television — would not come close to being enough.

Even before the recession hit full force in the fall, indeed as far back as 2007, online advertising for news sites was already slowing down. The deteriorating economy only made a difficult situation worse.

It is now obvious that if the news business is to survive in any recognizable form it must invent a new economic model in which traditional advertising is at best only part of the revenue equation.

“The notion that the enormous cost of real newsgathering might be supported by the ad load of display advertising down the side of the page, or by the revenue share from having a Google search box in the corner of the page, or even by a 15-second teaser from Geico prior to a news clip, is idiotic on its face,” a 2008 research report from Sanford C. Bernstein & Company concluded.

Yet by all signs, only marginal progress seemed to have been made in developing any new ways to monetize the Web. Much of industry was simply trying to keep its head above water.

And the evidence suggested that new forms of advertising and new platforms of delivery offered little hope of reaching adequate scale anytime soon. Video advertising, for instance, grew rapidly early in the year, but the numbers are still quite small and they slowed considerably as the year ended. Advertising on mobile devices, where distribution and use are growing rapidly, is also small and projected to remain so.

Online Ad Revenue Growth Slows in 2008 (updated April 1, 2009)

Over all, online ad spending for all websites, news and otherwise, rose in 2008, but the rate of growth slowed.

Ad revenues online totaled $23.4 billion in 2008, up 10.6% from the $21.2 billion posted in 2007.

The rate of growth in 2008 was less than half the rate recorded in 2007, when revenues were up 26%. “A weakening economy will continue to be a challenge to all forms of advertising-supported media, said David Silverman, a partner at PricewaterhouseCoopers.

And 2009 is expected to be the first year since the start of the decade in which some components of interactive advertising will show little or no growth, according to an outlook report from Borrell Associates, the media research firm.
For news, the prospects are even dimmer. While search advertising was expected to grow, the category that news sites depend on most, display (which includes graphical banner and pop-up ads), was projected to decline. Even if the nation's economy improves, the Borrell report said, advertisers are likely now to opt for search over display, with display having already seen its most lucrative days. “No form of advertising yet invented has grown forever,” it said. “Interactive ad spending is no different.”

The result is that online ad growth for legacy media like newspapers is not coming anywhere close to making up for the losses in the old media platforms. In its newest report, Veronis Suhler Stevenson, the private equity investment company, estimates that newspaper ad revenue — both print and online combined — declined by 15.6% in 2008 and would fall another 19.1% in 2009.

The long-term problem here becomes obvious. Print is shrinking. The Internet is not coming anywhere near those old newspaper levels, especially for news sites. (eMarketer projections put newspaper ad revenue from online and print both in 2012 at $28.4 billion. That would be roughly 40% less than the industry took in during 2006).

The math seems increasingly inescapable. Advertising on the Internet, at current rates projected out, will never resemble the kind of economic foundation newspapers enjoyed in print, or that flowed to news on television.

**Ad Revenue and the News**

How much of this Internet advertising does go to news?

One research group tries to isolate this. TNS Media Intelligence develops an estimate of the top 25 websites in the United States based on display advertising, not including search or video. It then breaks those sites down by category. Its analysis suggests news represents only a minority of the display ad revenue attracted online.

Its two categories of news sites, local news and guides and national news and current events sites, together made up 19% of the revenue among these top websites in 2007, the latest year available. And that is the area of online advertising where they have the biggest presence.

If that number is at all representative, it suggests that display advertising online would have a long, long way to go to make up for declining ad revenue in print and television. Even before the financial credit crisis hit in September, Veronis Suhler Stevenson projected that for the two online ad categories most oriented to news, display and classified, spending would reach $16 billion by 2012. If news sites represented 20% of that, it would amount to roughly $3 billion, or less than one tenth of what newspapers alone took in during 2008.

Online news professionals point out that even these numbers may inflate the potential for newsgathering, as opposed to news aggregating. David Payne, former senior vice president and general manager of CNN.com, warned that news organizations will be disappointed if they are expecting online ad revenues to make up for the traditional sources of revenue they have long counted on. Payne wrote in a column for Media Week: “It should be no secret that news organizations — even those with the most successful online properties — are in for some serious adjustments in the future. Most have the vast majority of their budgets tied up in headcount and newsgathering. When there is pressure on
those budgets in a declining revenue state, heads roll and newsgathering is slashed, initiating an ugly spiral.”

### Top 25 Website Categories by Display Ad Revenue, 2007

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<td>22.2</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>General interest/general entertainment</td>
<td>769.8</td>
<td>42.8</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Sports</td>
<td>697.1</td>
<td>-0.5</td>
<td>7</td>
</tr>
<tr>
<td>7</td>
<td>Computing, technology</td>
<td>613.6</td>
<td>13.6</td>
<td>6</td>
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<tr>
<td>8</td>
<td>Movies, videos, TV, cable</td>
<td>440.5</td>
<td>17.8</td>
<td>4</td>
</tr>
<tr>
<td>9</td>
<td>TV stations</td>
<td>395.8</td>
<td>35.2</td>
<td>4</td>
</tr>
<tr>
<td>10</td>
<td>Travel</td>
<td>343.3</td>
<td>15.7</td>
<td>3</td>
</tr>
<tr>
<td>11</td>
<td>Shopping</td>
<td>284.6</td>
<td>23.3</td>
<td>3</td>
</tr>
<tr>
<td>12</td>
<td>Games</td>
<td>284.5</td>
<td>-9.7</td>
<td>3</td>
</tr>
<tr>
<td>13</td>
<td>Portals, search engines</td>
<td>275.8</td>
<td>-5</td>
<td>3</td>
</tr>
<tr>
<td>14</td>
<td>Health and fitness</td>
<td>263.9</td>
<td>-6.4</td>
<td>3</td>
</tr>
<tr>
<td>15</td>
<td>Music, broadcasts, radio</td>
<td>253.5</td>
<td>70.3</td>
<td>2</td>
</tr>
<tr>
<td>16</td>
<td>Internet service providers</td>
<td>237.3</td>
<td>3.3</td>
<td>2</td>
</tr>
<tr>
<td>17</td>
<td>Automotive</td>
<td>231.2</td>
<td>11.7</td>
<td>2</td>
</tr>
<tr>
<td>18</td>
<td>Cards, screen savers</td>
<td>210.0</td>
<td>5.5</td>
<td>2</td>
</tr>
<tr>
<td>19</td>
<td>Real estate</td>
<td>151.8</td>
<td>30.4</td>
<td>1</td>
</tr>
<tr>
<td>20</td>
<td>Food</td>
<td>127.4</td>
<td>18.3</td>
<td>1</td>
</tr>
<tr>
<td>21</td>
<td>Special interests/hobbies</td>
<td>125.2</td>
<td>0.3</td>
<td>1</td>
</tr>
<tr>
<td>22</td>
<td>Common cultures/communities</td>
<td>121.5</td>
<td>-6.9</td>
<td>1</td>
</tr>
<tr>
<td>23</td>
<td>Hispanic</td>
<td>117.2</td>
<td>44</td>
<td>1</td>
</tr>
<tr>
<td>24</td>
<td>Men</td>
<td>96.4</td>
<td>5.2</td>
<td>1</td>
</tr>
<tr>
<td>25</td>
<td>Teens</td>
<td>87.2</td>
<td>34.2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>10,487.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data from TNS Media Intelligence on more than 2,800 sites.

Note: Dollars are in millions for calendar 2007 and represent only display advertising; excludes search and broadband video. Percent change computed vs. 2006 data, not shown. No 1 is multiservice such as MSN, Yahoo and AOL and No.10 is just portals and search engines such as Ask.com and About.com. Categories are from TNS.
Another problem, already noted, is that display advertising, the category flowing more to news, has already begun to slow down, and now the industry expects that trend to continue.

This bears a little more detail.

Even before the economic meltdown in the fall, Veronis Suhler Stevenson projected that the growth rate of display advertising revenue online would slow to 13.9%, down from growth rates of 15.6% in 2007 and 38% in 2006.

Later in 2008, the market research firm eMarketer projected an even steeper drop in the growth rate. In December, it estimated that by year’s end online display advertising would have grown by only 3.9%.

Display advertising online comprises two categories, national and local. In 2008 national display was hurting most. According to Borrell Associates, by the end of 2008, national display advertising revenue was expected to fall by 13% from a year earlier. And the firm predicted that trend was expected to worsen, falling 14% more in 2009.

Local display, by contrast, was expected to remain healthier in 2008 before falling in 2009. It was projected to rise in 2008 by 23% and then decline by 4% in 2009.

And the growth rate is expected to slow even further in the years ahead. Veronis Suhler Stevenson estimates that display advertising will grow at an annual compound average of 10.6% between 2007 and 2012, half of the 20.3% annual growth rate it had between 2002 and 2007.

“The sparkle of banner advertising has dimmed,” Borrell Associates said in its 2009 outlook report. “Advertisers are turning their attention toward newly sparkling formats that may hold greater efficiency” like search and streaming video.

One reason that online display revenue is slowing is falling prices. Average display ad rates slid during the third quarter of 2008, according to PubMatic, an ad consulting firm for online publishers. Measured as the cost of reaching 1,000 website users, the rate fell from 50 cents at the end of 2007 to 26 cents at the end of 2008.

“It’s not surprising that [the rate charged for display ads has] been trending down, but what is surprising is the size of the drop,” rather than the rate charged for ads said Rajeev Goel, president and co-founder of PubMatic.

Rick Edmonds of the Poynter Institute cites two factors for the declines. First, the oversupply of space online, including blogs, YouTube and social networks had already begun driving rates down. Then the economic downturn of 2008 cut ad budgets further across all platforms.
Certainly some of the industries that use display advertising most heavily – auto and retail for example – cut their ad budgets after the financial crisis in September.

**Top 10 U.S. Internet Display Advertisers, 2007**
Dollars, in millions

<table>
<thead>
<tr>
<th>Rank</th>
<th>Advertiser</th>
<th>U.S. Ad Spending</th>
<th>% Change from 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IAC/InterActiveCorp</td>
<td>314.4</td>
<td>155.6</td>
</tr>
<tr>
<td>2</td>
<td>General Motors Corp.</td>
<td>212.0</td>
<td>79.4</td>
</tr>
<tr>
<td>3</td>
<td>Experian Group</td>
<td>193.1</td>
<td>49.3</td>
</tr>
<tr>
<td>4</td>
<td>Apollo Group</td>
<td>192.4</td>
<td>55.8</td>
</tr>
<tr>
<td>5</td>
<td>Verizon Communications</td>
<td>189.1</td>
<td>69.7</td>
</tr>
<tr>
<td>6</td>
<td>E-Trade Group</td>
<td>186.9</td>
<td>74.8</td>
</tr>
<tr>
<td>7</td>
<td>Ford Motor Co.</td>
<td>163.5</td>
<td>65.0</td>
</tr>
<tr>
<td>8</td>
<td>FMR Corp. (Fidelity Investments)</td>
<td>142.8</td>
<td>46.6</td>
</tr>
<tr>
<td>9</td>
<td>Scottrade</td>
<td>142.5</td>
<td>35.8</td>
</tr>
<tr>
<td>10</td>
<td>Microsoft Corp.</td>
<td>142.2</td>
<td>73.4</td>
</tr>
</tbody>
</table>

Source: TNS Media Intelligence

**Search Advertising**

The advertising category growing most online is search, which to date has not substantially benefited news.

In this form of advertising, the consumer is presented with ads based on the search term he or she types into Google or another search provider. It commands most of the revenue in online advertising, and it was expected to weather financial storms and remain strong in 2009.

Before the credit crunch hit in September, eMarketer projected paid search advertising would increase by 40% during 2008. After the crisis, they revised that downward, to 21.4%. 19

Even the reduced rates will be difficult to sustain as the Internet matures. Between 2007 and 2012, for instance, Veronis Suhler Stevenson projected revenue from search to grow at a compound annual rate of 16%, to $26.2 billion. The preceding five years it had grown at a compound annual rate of 42%. 20

News sites receive some revenue from search advertising, although PEJ was unable to locate anyone in the industry with specific estimates. Search engines such as Google and Yahoo share some ad revenue with a news website that uses their search technology. Presumably, a news website may also benefit indirectly when a Google search drives traffic to its story, where a user is exposed to display ads.
As growth slows, search is also expected to lose some of its total share of online ad spending. According to estimates from Veronis Suhler Stevenson, search’s share of online advertising revenue is expected to fall from an estimated 42% in 2008 to 37% in 2012. Two smaller categories — social networking and online video — are expected to grow more strongly.

Still, that is a much higher growth rate and share of ad spending than projected for display.

The estimates from eMarketer, which are much lower, are in the table below.

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Search</td>
<td>10.7</td>
<td>65%</td>
</tr>
<tr>
<td>Display</td>
<td>4.6</td>
<td>57%</td>
</tr>
<tr>
<td>Video</td>
<td>0.6</td>
<td>400%</td>
</tr>
<tr>
<td>Rich media</td>
<td>1.9</td>
<td>58%</td>
</tr>
<tr>
<td>Classifieds</td>
<td>3.1</td>
<td>-3%</td>
</tr>
<tr>
<td>Lead generation</td>
<td>1.6</td>
<td>25%</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>0.6</td>
<td>0%</td>
</tr>
<tr>
<td>Email</td>
<td>0.5</td>
<td>20%</td>
</tr>
<tr>
<td>Total Internet Advertising</td>
<td>23.6</td>
<td>57%</td>
</tr>
</tbody>
</table>

Source: eMarketer

Video Advertising

As growth in display advertising slowed, experts wondered whether video ads had the potential to inject new life into revenue for news websites.

The answer, offered in 2008, is that despite rapid growth, video is still a small revenue source and has yet to show real promise for the future.

Advertising in online video and rich media — which refers to any moving or dynamic web content such as a news ticker that scrolls across a web page or streaming video — was projected to grow by 44% in 2008, to $3.6 billion, from $2.5 billion a year earlier. The good news is that the rate of growth here is expanding. In the preceding five years video ad revenue grew by an annual compounded rate of 33%.

The bad news is that the figure of $3.6 billion represents only 10% of Internet advertising, which itself is not as large in 2008 as people expected.
Veronis Suhler analysts forecast that online video would grow by annual compound rate of 39% by 2012 to $12.7 billion, a significant amount. By then, they estimate, it would represent 18% of total Internet ad spending. Only ads on social networking sites, which represented about 7% of Internet advertising in 2008, were expected to grow faster.

The effectiveness of video ads, however, is still largely an unknown, and growth could be slowed by the recession. “It’s harder to prove that ads … embedded in a video are effective in luring Web surfers to a site or enticing them to make a purchase,” said Russell Fradin, president of Adify, a company that helps firms set up online advertising networks.

Even if these ads prove effective, the question remains: how many of these news sites will succeed in capturing enough ad revenue to stay in business?

**Advertising on the Cellphone**

One other potential source of expanding the universe of digital advertising is mobile.

The jump in mobile technology with the advent of faster 3G networks raised expectations about rapid growth in advertising. Apple released the 3G iPhone and Google the Android operating system, which allows smartphones to operate much like an iPhone. The Google operating system can be run on almost any mobile phone, permits free wireless use and allows for the easy addition of applications from anyone who takes the time to create one.

There are about 40 million active users of the mobile Web, according to Nielsen Mobile. As that number increases, there will be an increasing demand for information on mobile devices.

Advertisers have taken note of these increases and have shifted spending to mobile devices. They were expected to spend $1.3 billion in 2008, up 59% from a year earlier, according to data from Veronis Suhler Stevenson.

The rate was expected to slow somewhat, to a compound annual rate of 34% between 2007 and 2012. That would put mobile ad revenue $3.6 billion at the end of the period.

**Local vs. National Advertising**

One other concern for news online is what has happened with local advertising. Online advertising buys have tended to be aimed at national audiences through large national websites and portals such as Yahoo. In recent years, those national websites have taken aim at the billions of dollars spent on local advertising, a direct threat to regional and local media that hoped to lure their most important advertisers to their Web sites.

A decade ago, 80% percent of Internet advertising was national and 20% was local. By the end of 2008, Veronis Suhler Stevenson estimated the gap had narrowed to 70-30 as local merchants grew more comfortable advertising on Google, Yahoo and Monster and other “pure play,” or Internet-only, sites. Projections call for that same ratio to continue through 2012. Another estimate, in the chart below, estimated the gap reached closer to a 60-40 ratio in 2008.
But as local advertisers have become more comfortable with the Web, they increasingly are spending their money on these national sites and away from local news. In 2007, for instance, the share of local online ads spent on newspaper sites fell to 25%, down from 36% the year before. Meanwhile, the share of local ads going to pure play Internet sites such as Google jumped to 57% from 33% the year before. 25
Other Models

The most obvious question is if advertising, the foundation of the news industry for much of the last century, won’t work online, how much progress has the industry made in developing an alternative?

In 2008, our sense is very little. The industry has toyed with some other ownership models, particularly nonprofit ones. We discuss these in the New Ventures Section.

But existing news organizations by and large have little history innovating new economic alternatives. The industry has seen a host of opportunities slip over the last decade and a half. In 2008, it was preoccupied with the economic slowdown. Many, if not most, traditional news operations, professionals told us, operated at what has been described as a straight line model. If revenues declined by 10%, costs needed to be cut by 10%. That cost cutting, rather than invention, commanded everyone’s attention in the last year.

“Frankly, when I have been at meetings about innovation, what I have heard has mostly been hand wringing,” said one news executive at a private meeting with potential nonprofit funders.

In the end, the economics of the Web seemed to be moving even farther away from news in 2008, and the recession is only making that problem harder. It seems increasingly clear that news sites need to move further into search, but it is not clear they are succeeding, and the shift of local advertising to national portals may be especially ominous. The prospects of new technology, such as mobile and video, are promising, but the scale is not yet there, and there is no certainty that news will capture these either.

The solution, increasingly, seems to point to new models. But the innovations here seem small and experimental. There is, in short, a long way to go for news economics online, and abundant reasons for concern about whether it will ever happen.
Footnotes

1. The updated figures in this section are for total online advertising revenues as reported by the Interactive Advertising Bureau (IAB). At the time of original release of the State of the News Media, IAB had data for online advertising for just the first three quarters of 2008. Through that time, IAB was reporting about 14% growth for that time period. On March 31, 2009 IAB released year-end estimates of 10.6% growth for the entire year. We have updated the narrative and charts to reflect the year-end figure.


8. Data from TNS Media Intelligence, Top 25 Web Site Categories by Display Ad Revenue.

9. This category includes 32 news websites with a national focus, including Yahoo! News, MSNBC.com, AOL News, and NYTNews.com. However, it does not include CNN, one of the most-visited news websites. Local news attracted up to 10% of online ad revenue in 2007 (up from 8% in 2006). The national news & current events category held steady with 9% of the revenue.


One worry among search advertisers is “click fraud,” in which they pay for hits to their ads that are not from legitimate consumers. One study found that the rate of click fraud fell slightly in 2008 but remained a serious problem. The report, by Click Forensics, estimated that the rate of click fraud stayed basically at 16 percent of all clicks, industry-wide. “The overall rate continues to dip, as advertisers continue to take more initiative [in monitoring click fraud] and as search engines are starting to take things a bit more seriously,” said Tom Cuthbert, president of Click Forensics, which provides services to monitor ad campaigns for click fraud. “That's favorable, but 16 percent is still a very high number, still something to be concerned about.” Click fraud occurs when someone, often using automated software, causes clicks to be made on sponsored ads. Rivals may do this to drive up a competitor’s ad costs. More often, Web publishers who employ links by search companies such as Google or Yahoo do it in order to receive more income in revenue-sharing from the search companies.

News Investment

By the Project for Excellence in Journalism

Getting a firm grasp on newsgathering resources online is elusive. There are so many sites, and accounting for the time devoted to online vs. in legacy platforms is difficult.

The Project hopes that a new survey of online journalists produced as part of this report in conjunction with the Online News Association will help.

Still, there are some data that offer at least a broad sense of how they are doing.
For those companies better known for aggregation, such as Yahoo, the year saw investments in technology more than people. For those more closely tied with older media, such as the website of the Los Angeles Times (latimes.com), whatever gains they made in resources came from more tightly integrating digital and print operations than from expansion.

The biggest area of development was seen in a handful of niche publications that popped up online, some started by journalists laid off or bought out from traditional newsrooms.

Rarely if anywhere in the online world did gains in employment match gains in readership. Instead, the path of resources devoted to journalism online in 2008 was mostly a matter of trying to manage, or in some cases salvage, long-term strategy amid financial hardship.

**Online Newsroom Staffing: Aggregators**

Among the most visited sites are those that aggregate news from others, or rely heavily on wire copy that they may edit. In 2008, these sites reflected a preference for new technology over new hires.

Yahoo News, by some measures the most popular news site, uses human editors to make its aggregation decisions and it also has tried in fits and starts to do some limited original reporting.

In 2008, it did not add to its staff, either editors or reporters. “Overall, the corporate situation is obviously tough, though we’re holding pretty steady investment,” Yahoo News senior product manager Peter Roybal said.1

Part of that investment in 2008 was not in original reporting but in doing original things with content it aggregated: editing or combining content to produce new information for its audience. Much of this work was tied to the presidential election.

The site hosted a virtual debate among Democratic candidates for president, gathering tapes from interviews conducted by Charlie Rose and Bill Maher and inviting users to select the issues and candidates they wanted to hear from. It was called the Democratic Candidate Mashup. On the Republican side, it partnered with Politico to conduct a virtual interview with President Bush and permitted Yahoo users to submit questions. Yahoo also introduced a news blog of material aggregated by Yahoo editors.

Yahoo News also redesigned its site to take advantage in surging interest in political news. “We are in the midst of a very powerful news cycle,” said Scott Moore, Yahoo’s senior vice president and head of U.S. audience. “There is a real sea change going on here.”2

AOL News, another aggregator, also sought to take advantage of the election with technological wizardry rather than shoe-leather reporting. It created a “widget” called the “Hot Seat” that users could add to their own websites. The Hot Seat featured content from bloggers and other sites to “stimulate a dialogue between voters, pundits and politicians” (see Special Report on Citizen Media).

MSNBC.com, by some measures now Yahoo’s rival as a news destination, also leaned on technology over people. The
site, a partnership between the cable network of the same name and Microsoft, represents something of a hybrid of aggregation, wire editing and original reporting (see the Online Audience Section). More than 200 people work there, including editors, reporters and producers. It is headquartered in Redmond, Wash., on the Microsoft campus, and has newsrooms in New York, London and Redmond.

The lion’s share of these people are editors managing or in some cases combining wire copy and producers assembling pages and content. Relatively few of MSNBC’s staff are engaged in actual reporting.

Here, too, in 2008, the newsroom innovations were largely technological rather than reportorial. MSNBC.com added new NewsWare tools to permit users to download news-focused screen savers and video games. One tool, called NewsScroller, gives users their own custom news ticker to display headlines updated throughout the day.

“We’ve coined a phrase, 'news infusion,' to capture the essence of what MSNBC.com is accomplishing with NewsWare,” said Catherine Captain, vice president for marketing at MSNBC.com, was quoted as saying in a company statement 3 (see the Cable Digital Trends Section).

Digital tools present inexpensive opportunities for news organizations to boost audiences. Certain Web tools, like comments, RSS feeds and most-popular rankings can draw in readers and keep them engaged. Likewise, supplying user-generated “reporting” tools can give users more of a reason to come back to news sites with video and written posts of their own.

The biggest online investment of the year came in the network’s coverage of the 2008 Summer Olympics. As sole U.S. carrier of the games, NBC worked to take full advantage of the capabilities of the Internet. This included the creation of a microsite, www.NBCOlympics.com, which provided over 2,000 hours of streaming video of events, highlights and replays. 4 Viewers could, for example, visit the cycling area of the site to grab the latest news updates and watch videos. 5

Record numbers of viewers visited its coverage online. At an average of 4.3 million unique visitors a day, NBC pulled in more than double the traffic of the 2006 Winter Olympics and 2004 Summer Olympics combined. 6

NBC also used the website to test a comprehensive way of tracking viewership across television, online and mobile platforms. Networks have long had to piece together television audience numbers and online and mobile consumption with no overarching strategy for measuring how individuals divide their time. NBC used the Olympics website to test its Total Audience Measurement Index, or TAMi, which summarized users’ viewership across television channels, websites, mobile programming and video-on-demand. 7

**Online Newsroom Staffing: Legacy Operations**

Data on the number of people employed online at legacy newsgatherers, those attached to print or television operations, are in short supply. Those trying to do such accounting, such as the American Society of Newspaper Editors, have found it difficult to sort out who is an online journalist and who is not. And trying to do so is becoming increasingly difficult, or perhaps even irrelevant, because of a continuing integration of online and offline staffs. But evidence suggests a shift of balance in favor of merged digital newsrooms even as overall payrolls were trimmed.
“Online wasn’t immune to cuts, but online was cut less in general than core newsrooms and core news operations,” Tom Davidson, the vice president for content at Tribune Interactive, told PEJ in an interview in October, before the company’s situation worsened and it filed for reorganization under bankruptcy protection. “You feed resources to the growing part of your business and you cut resources to those aren’t growing anymore. Online tended to fare better.” 8

Some publications from larger organizations attempted create economic efficiency by merging online operations. In October, Condé Nast merged the online functions of two of its magazines, Portfolio and Wired, resulting in job losses in Portfolio’s digital operations. 9 Similarly, Hearst Digital laid off workers as it merged its online and offline divisions. 10

Mansueto Ventures, the publisher of Fast Company and Inc., took even more drastic action in early October. It shut down both digital divisions entirely, laying off 20 employees. 11 Their duties were absorbed by print magazine reporters and the websites continued. 12

Elsewhere, there were signs of cutbacks. The Los Angeles Times website, for instance, lost some digital staff in 2008, but benefited from the increasing cooperation from print staffers who are reporting, editing and publishing for the website. “For us, the short answer is that investment is up, even though our Web budget is flat from a year ago,” latimes.com executive editor Meredith Artley said.

In the case of latimes.com, the focus on the digital product paid off for the newspaper. In 2008, website revenues were nearly enough to cover the entire newspaper’s reporting payroll, Artley said. 13 Despite that encouraging development, the future of the Times became even less certain when its owner, the Tribune Media Company, filed for bankruptcy protection in December.

One of the clearest trends in newspaper newsrooms was the integration of the print and online operations. The integration came in two ways — bringing print and digital staffs together under one roof and training print staff to perform tasks involved in publishing to Web.

Integrating newsrooms not only saved money, but it also recognized a need to more efficiently produce content for a variety of platforms. “All newspaper websites are going through this right now. Maybe there is no magic recipe, but constant overcommunication is a huge key to success,” Artley of latimes.com, said.

Both national news organization and midtier newspapers embraced integration in 2008. The Washington Post, following the lead of the New York Times and the Los Angeles Times, brought online and offline staff operationally closer together. The ultimate goal is a more efficient way of publishing information in a variety of different digital formats.

A focus on integration is not limited to the big national news organizations. A 2007 PEJ-sponsored survey of newspaper editors found that the vast majority of newspaper editors (81%) consider the print newspaper and their Websites “part of the same product” rather than “different entities.” 14
For the first time, a majority of newly hired journalists reported job duties that involved reporting for the Web, according to a 2007-2008 survey of journalism and mass communication graduates. Over 55% of bachelor’s degree recipients with jobs in communications reported that their jobs involved writing and editing for the Web. The figure had been 41.5% a year earlier and 22.6% as recently as 2004.
Design Your Own Chart
Source: The Cox Center at the University of Georgia, Annual Survey of Journalism & Mass Communication Graduates

Such integration was less true in television. There union rules can be an impediment, forbidding people from doing technical tasks. Culture may be a factor, too. But the notion that everyone is working across platforms has not developed in the same way in television.

Ending Print Editions

The year also marked the point when a few publications took the more highly anticipated step of cutting back on or entirely halting their legacy productions in favor of going online, from the Christian Science Monitor (which is shifting from a daily printed newspaper to one online plus a printed weekend magazine) among newspapers to U.S. News & World Report (which is shifting from weekly to monthly publication) in magazines. The key factor here is how much advertising revenue the print edition is earning. If print is not producing sufficient revenue, it may make more sense to grab the cost savings of eliminating print production.

Other newspapers also downsized their print operations to fewer days a week to save money on printing and distribution on low-revenue days. For example, Detroit’s major newspapers, too, cut home delivery to three days a week and beefed up their websites (see the discussion in the Newspapers Chapter).
And in television, particularly national outlets, one other trend appeared to continue in 2008: using citizens to supply video. In 2008 CNN, as part of an effort to integrate user-generated content both online and on-air, relaunched the beta version of its iReport program. First attempted in 2006, iReport was primarily a way to gather news for CNN.com and the cable channel. Users flooded the site with almost 10 times the content that CNN could use, and CNN suspended it in 2007 (see Citizen Media and Cable Digital Trends).

The new incarnation, iReport.com, more closely resembles YouTube. It is a website that allows users to share video, audio and photos with little interference from editors. The site sports the look, feel and openness of YouTube, as it exists as its own community. The only vetting CNN does is to remove objectionable content. 16 Some of the content could appear on the news channel and website.

“The community will decide what the news is,” said Susan Grant, executive vice president of CNN News Services. “We are not going to discourage or encourage anything… iReport will be completely unvetted” 17 (see Special Report on Citizen Media).

Other news organizations feature their own citizen-produced content sites. MSNBC’s FirstPerson invites users to upload video, photos or first-hand reports from breaking news events. The site has a button that says: “Are you on the scene? Send us your video.”

ABC has a version called i-CAUGHT,” whose focus is less on breaking news and more about sharing personal content. Users can post videos in multiple categories, including politics, weather,” entertainment, fun and animals.

**Legacy Sites Adopt Aggregation**

Another trend, noted last year, accelerated in 2008: Newsgathering organizations continued to move toward aggregation and devoted more resources to organizing it for its audience. In many cases this means including content from competing news organizations. 18

Among the most visible examples of the trend was its adoption by NYTimes.com, the most widely read newspaper website. The site, which formerly limited itself almost entirely to stories generated by its namesake newspaper, announced in December 2008 a feature called Times Extra that steers readers to stories on the same topic appearing on competing websites. 19 “We would be remiss as a news organization if we didn’t develop this,” said Marc Frons, chief technology officer for digital operations at the newspaper. “People are coming to our website because they want to know what the Times thinks is newsworthy on any given day.”

Newspaper websites around the world have long included links to other news sites on their own home pages, but the Times is the first to feature them so prominently. "The Internet offers so much stuff, that newspapers have in a sense been marginalized,” said newspaper analyst Ken Doctor. "If readers come to you to get a sense of that wider world, you’ll do better than by only pointing them to your own content." 20
Online Newsroom Staffing: Niche Publications

Some of the biggest expansions of news investment occurred at niche publications focused on specific topics.

Politico, a newspaper that was created with both online and print in mind, announced in September of 2008 the hiring of more than 100 people as it expanded its White House and congressional coverage. 21

“Our goal is simple,” said Politico publisher Robert Allbritton in a statement. “We want to offer readers the fastest, smartest, most authoritative coverage of Washington in the nation, period.”

The publication itself was only a month shy of 2 years old at the end of the year. Politico’s plans are not limited to delivering news on its web site and in a print edition circulated around Washington. It also has plans to become a regular source of content for daily newspapers around the country. The news outlet covered the 2008 political conventions through a content-sharing arrangement with newspapers in St. Paul, Minnesota, and Denver, Colorado, where the conventions were held.

Another politically focused website, HuffingtonPost.com, enjoyed strong traffic growth due to the election and was able to secure an additional $25 million from venture capital firm Oak Investment Partners to invest in its operation. How much of that will go to reporting is unclear.

A statement from HuffingtonPost.com said it would “invest in its technology and infrastructure, increase its in-house advertising capabilities, and continue to expand its content offerings — including a new investigative journalism initiative and a rollout of local versions of The HuffingtonPost in select cities.” 22 What it has in mind, according to sources who have talked with HuffingtonPost, still appears to be relying heavily on citizen volunteers for content, under the supervision of news professionals.

But the investors behind this still appear to believe that advertising will be the revenue source for the future of news. Fred Harman, general partner at Oak Investment Partners, said, “Much of the news media business needs to be reassembled online around an ad-supported model and the timetable for this has been accelerated, not slowed, by this economic down cycle.” 23

AP Goes Mobile

The Associated Press, the news cooperative founded by newspapers in the 19th century, made a major move towards a digital – and mobile – future.

The news service rolled out in May its mobile news network. It is the first product released by the AP’s Digital Cooperative, an initiative aimed at finding new digital outlets for news and information produced by AP members.

Using software developed by Verve Wireless, the network delivers news directly to smartphones, for now available on the two most popular, the iPhone and the BlackBerry. 24

The AP merges its content with that from a consortium of local news organizations so cellphone users can receive international, national and local news content.

As of early 2009 the content focused primarily on hard national and local news. The next offerings on tap for the network
are locally focused: movie reviews, listings and restaurant guides that the AP hopes will eventually form a coherent news and local resource hub for users.

Ultimately, Jeff Litvack, the AP’s global product development director, sees its value in local information. “It’s truly our belief that people are looking to get their hometown news alongside their sports scores,” he said. 25

The mobile news network has so far been well received by both the public and news organizations that see partnerships as way to keep themselves alive in the future. In August, the first full month of service, it received more than 16 million page views. By September, the service had 948 news organizations signed up to provide content. 26 In November, the service had 35 million page views, according to Arthur Howe, the CEO of Verve Wireless. Verve provides the technical expertise to actually move electronic content online to the mobile web. 27

The AP will not publicly confirm the project’s cost, but Litvack told MediaPost in July that the company invested millions to get the project up and running. 28

As of early 2009, revenues remained extremely small, though some partners have high hopes for the future. “Collectively,” said Howe, “our content and brands work better together.” Still, he says, mobile news and advertising is not going to be enough to save the industry as the struggle to monetize online news continues. 29

Part of the impetus for new projects at the AP stems from its struggles with news organizations that are members of the AP, a battle that led some of them to threaten to abandon the syndicate in 2008. Newspapers, in particular, complained about the costs of the service 30 (see discussion in Newspapers Chapter).

Footnotes


8. Interview with Tom Davidson, October 24, 2008

10. “Publishing Mix and Match,” New Media Age, October 2, 2008
13. Interview with Meredith Artley, October 27, 2008
18. PEJ Interview with Anthony Moor, November 18, 2008
Ownership

By the Project for Excellence in Journalism

The Internet continued to be dominated in 2008 by large companies. Three of them in particular loom largest over the industry, but each of them — Google, AOL and Yahoo — was trying to maneuver, broaden or reposition itself during the year to either address immediate problems or anticipate ones that might be coming.

For Yahoo the problems were more immediate. It had a lot of traffic but was struggling to produce enough revenue. Google was trying to broaden its identity beyond search. Time Warner’s AOL was still trying to get beyond its identity as an Internet service provider and compete for online advertising and other emerging revenue.

Much of this played out in a dance of potential mergers and joint ventures, many of which did not materialize by the time the year was out, most of them involving Yahoo.

Beyond the three big companies, mergers and acquisitions in the online media and technology sector fell both in number and value in the first three quarters of the year, though it remained the busiest media sector for deal making.

Online News Media Ownership Trends

The vast majority of popular news sites continue to be owned by the richest media companies.

Of the 25 most-visited news websites, 22 were owned by the richest 100 media companies in 2008, based on an analysis of data from Advertising Age and Nielsen Online.
Two of the five most popular websites in the U.S. — CNN and AOL News — are both owned by Time Warner, the largest media company in the world with revenues of $47 billion in 2008.

The 10 richest companies 28% of the most popular news sites.

Only three of the top 25 news sites were not owned by one of the largest 100 media companies. They were Huffington Post, a news and blog aggregation site; World Now.com, a consulting firm for local media companies, and the BBC, a government-owned news corporation based in Britain.

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### Ownership of 25 Most Popular News Sites, 2008

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<td>25</td>
<td>Gannett Broadcasting</td>
<td>Gannett Co.</td>
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Source: Advertising Age, “100 Leading Media Companies list”; PEJ research

Note: The top 100 list is determined by domestic media revenues. The top 25 sites are based on Nielsen Online data for January-December 2008.
Mergers and Acquisitions

With a weakening economy, there was even less merger and acquisition activity that might have changed that lineup of companies. There were fewer deals, and the total value was less than 2007. Still, compared with other media sectors, online looked relatively healthy.

Through the first nine months of 2008, there were 218 online and media technology deals announced, a drop of 6 percent from the same period a year earlier. The total value of the deals, $7.8 billion, also fell, by 7%. 2

The investment banking firm Jordan, Edmiston Group said the sector “remained healthy,” considering that the media market plunged $70 billion by value. 3

Niche online content companies were among the most actively traded as “buyers continued to seek complementary add-ons,” according to the firm. 4

One of the biggest deals was the purchase of CNET, the consumer technology information company, by CBS for $1.8
billion. This is discussed in more detail in the chapter on network news.

Among other notable sales were music-swapper Napster to Best Buy for $53 million and DailyCandy to Comcast for $125 million.

News Corp. sought to expand its mobile business by buying out its partner in Jamba, a company that sells ring tones and wallpaper for cellphones. News Corp. also reorganized its mobile-content operation and rebranded it the Fox Mobile Group.

“These changes will support accelerated growth and extend our global leadership in mobile content licensing, distribution and production,” said Mauro Montanaro, CEO of the newly formed unit. 5

The Big Three in News

When it comes to online news, the range of ownership is even narrower. Four Web sites stood out above all in 2008: Yahoo! News, CNN.com, MSNBC.com, and AOLNews.com.

For the purposes of this report, we want to offer a closer look on the corporate fortunes of the three that are Internet specific: Yahoo, Google and AOL. Each in 2008 tried to redefine what it does, often weighing the strengths of one of the other two.

Yahoo

Yahoo has long been a leader in attracting visitors and display ad revenue to its content-rich websites. By most measures, Yahoo News is the No. 1 destination for news online. Unlike Google, Yahoo’s aggregation is based on human editors, and its offerings are more tailored and, many analysts argue, more efficient.

But the company has struggled in recent years to maintain revenue growth, losing out to Google in search and others in new areas such as social networking.

In 2008, much of its attention, at least publicly, was focused on a storm of merger and acquisition negotiations designed to join forces with others that might remedy those problems.

The tale began in January, when Microsoft began an aggressive and frequently bitter struggle to acquire Yahoo. After much negotiating, the software giant in July offered an enhanced bid of $33 a share. Jerry Yang, Yahoo’s founder and then-CEO, rejected the offer. When the deal fell through Yahoo’s stock quickly dropped to slightly more than $10. 6

With tension still high, Yahoo agreed in June to a more limited partnership with Google. The two companies announced a limited search/ advertising partnership in which Google would have delivered ads to some Yahoo search and content pages. Yahoo would gain much-needed revenue. Google would further expand its ad search business and prevent a future Yahoo-Microsoft merger that could threaten its search business.

Google, however, withdrew after the Justice Department told the companies that it would oppose the merger as a potential violation of antitrust laws. The two companies together control 90% of the U.S. search/advertising market. 7
In the aftermath, Yang gave up his post as CEO, but remained as the company’s “chief Yahoo,” a corporate strategy role.

Yahoo, according to published reports, turned to merger talks with AOL, which went on as late as December.

At the same time, Yahoo tried to strengthen its business in other ways, particularly in one of its long-standing areas of strength: display advertising.

The biggest move was the launch of a much-anticipated display advertising service called APT designed to make it easier for advertisers to find their desired audiences and to target ads based on the content of the site on which it appears.

One of the hopes for sellers is that the service will be able to generate a lot more volume at the much higher rate paid for targeted ads. In theory it could also allow outlets to sell the same space to multiple advertisers targeting different audiences.

The system rolled out first with a consortium of newspapers interested in the low-cost alternative to traditional methods of hand-selling ads.

The consortium was founded two years earlier as a way to connect advertisers with local newspapers on a common platform. In the earlier effort, the papers got display and classified advertising they would not ordinarily have gotten, and with lower transaction and production costs. In exchange, the papers provided news stories and other content to Yahoo, as well as advertising sold by their sales staffs. The papers also offered Yahoo searches on their websites, boosting Yahoo’s search-ad business, which is No. 2 to Google and losing market share.

With APT, the papers in the consortium get something more: the ability to better target their audience for advertisers. Newspapers, saddled with their own problems, were quick to see the appeal, and Yahoo by the end of 2008 boasted 796 participating newspapers. That meant that more than half of all the 1,450 newspapers in the United States were involved.

The whole notion of a newspaper consortium has a significance of its own separate from APT. The idea that newspapers could cooperate with each other in delivering advertising and content online has been widely talked about as key for the newspaper industry if it is to build revenue not just from advertising but other sources online as well, perhaps even subscriptions.

Meanwhile, AOL and Microsoft are attempting to create their own display advertising platforms. And Google paid $3.1 billion in 2007 for DoubleClick, another firm that specializes in display advertising. If APT succeeds, some analysts predicted, it might give Yahoo the financial boost it needs to stay independent.

Without it, there were signs that Yahoo’s dominance in display could slip. In June 2008, News Corp.’s MySpace reported heavier traffic to its social networking site than Yahoo’s portal websites, marking the first time this had happened. Website traffic is the coin of the realm for attracting display ads. Yahoo disputed the calculations, and other analysts pointed out that advertisers have been skeptical of the value of ads on social networking sites.
That could change over time, as the popularity of MySpace, Facebook and similar networks soars, and advertisers become more experienced with them. As a result, Yahoo was considering its own social networking capabilities that could be built on its popular e-mail platform. One potential project is technology that would keep track of who Yahoo users e-mail the most, and push messages from those addresses to the top.

“The idea is to ignite the social graph across all properties,” Yahoo’s president, Susan L. Decker, said.  

Yahoo certainly faced plenty of pressure to do something to turn its business around. By the end of 2008, its stock had fallen below $14 for the first time in over five years. Revenues in the fourth quarter of 2008 were down 1% to $1.8 million. And the company’s 2008 net income was $424.3 million, 36% smaller than it was in 2007.

And Yahoo’s share of the search-advertising business continued to fall. In October 2008, 18% of all searches by Americans were made through Yahoo’s search engine. That compared to 22% during the same month a year earlier.

The company also received something of a challenge managerially late in the year, when a top executive, Qi Lu, the executive vice president for engineering for the search and advertising technology group at Yahoo left to run Microsoft’s Internet operations. The recruitment confirmed Microsoft’s resolve to expand its online search and advertising business to compete with Yahoo, and eventually Google.

In January 2009, Carol Bartz the new CEO of Yahoo, inherited these challenges. A month later, Bartz announced a new streamlined management structure that eliminated layers of management, a move she said would allow the company to be “faster on its feet.”
Google grew in 2008, but more slowly than in previous years. The company remained committed to expanding its business beyond the arena of the Web it already dominates, search advertising. But facing slowing revenue gains, the company later in the year reined in spending on some ventures that proved to have less financial promise, and it suspended its famed program of allowing employees 20% of their time to work on their own projects.

The challenge looking ahead is anticipating how the economics of the Web will evolve beyond its core business, search, and to adapt to the new ways digital information delivery is changing.

Among the new products launched in 2008 were a cellphone operating system called Android, a platform for online bidding to sell television advertising and the completion of the acquisition of a major company in online display advertising. All that, as it also continued to search for ways to develop more revenue from the video sharing giant it had already acquired, YouTube.

Google’s golden egg is search advertising. It makes money from search in two ways: allowing advertisers to place ads around Google search results and offering its search engine to other websites in exchange for a cut of the pay-per-click
revenue. Google makes most of its revenue — 67% in the third quarter of 2008 — from searches conducted through its own websites. 13

The key to its business model is market share. So many people use Google searches each day that it makes billions even though the revenue from each ad may be just pennies.

The search business was good to Google again in 2008. The company’s share of search-engine traffic grew from 61% in January 2008 to 66% by year’s end. Its nearest competitor, Yahoo, saw its share slip from 21% to 18% and third-place Microsoft went from 10% to 8%, according to Search Engine Land, a newsletter that follows the industry. 14

In 2008 Google’s revenue grew 31% to nearly $21.8 billion. Profits for 2008 rose just 1% to $4.2 billion.

As of December, Google, after just 10 years, had a market value of $95 billion and 20,000 employees.

Even as its search business improves, Google has recognized the risk of putting all of its eggs in the search-business basket. As new arenas for search and other revenue open up, such as mobile applications, the company has already acknowledged the challenge of maintaining its growth rates. Not only does it have increasing competition in these new areas, but the business it increasingly controls, traditional online search, also is maturing. 15

“While we are realistic about the poor state of the global economy, we will continue to manage Google for the long term, driving improvements to search and ads, while investing in future growth areas such as enterprise, mobile and display,” Google CEO Eric Schmidt said in October. 16

Its release in 2008 of Android, an operating system for smartphones, was a potentially significant step toward establishing leadership in the emerging business of Internet use on mobile devices. Designed to compete with Apple’s iPhone and Research in Motion’s BlackBerry, the software can be downloaded and run on any smartphone for free.

Android anticipates what many expect to be the new frontier driving growth in mobile phones — applications. Consumers, the thinking goes, will not pick their cellphones based on the quality of the network, or even on the cellphones offered by companies. They will pick them based on the applications offered on each phone. The App Store offered by Apple is the breakthrough here. Android, in theory, will position Google to become a player there.

Through Android, users can browse the Internet, play music and videos, and, with a properly equipped phone, take and store photographs. The system is open-source, meaning other software companies are free to create applications, something that can add greatly to usage. Neither the iPhone nor BlackBerry operating systems are open-source. Those applications create a whole new universe for potential advertising.

“The online advertising giant has every intention of dominating your mobile-Web experience the same way it has the desktop Internet,” according to Fast Company magazine. 17

As part of that strategy, Google expanded its emerging television ad selling business in 2008. It struck a deal in September to broker television ads on cable networks owned by General Electric’s NBC Universal. The deal allowed advertisers to bid online for ad time on NBC’s six networks, which included MSNBC and CNBC. 18 A few weeks later,
Bloomberg Television agreed to use the service, too. In May 2008, Google allowed advertisers using Google’s online ad buying service to also purchase advertising on television. The original deal had been limited to the Dish satellite television network. 19

Google in March 2008 also completed the deal announced in 2007 to expand its position in the smaller market of online display advertising. The acquisition was Google’s $3.1 billion purchase of DoubleClick.

According to the New York Times, “DoubleClick, which was founded in 1996, provides display ads on Web sites like MySpace, the Wall Street Journal and America Online as well as software to help those sites maximize ad revenue. The company also helps ad buyers — advertisers and ad agencies — manage and measure the effectiveness of their rich media, search and other online ads.” 20

“Google really wants to get into the display advertising business in a big way, and they don’t have the relationships they need to make it happen,” Dave Morgan, then the chairman of Tacoda, an online advertising network, said at the time the transaction was announced. “But DoubleClick does. It gives them immediate access to those relationships.” 21

Google received some good news in the lawsuit brought by Viacom against Google’s YouTube. Viacom sued YouTube on March 2007 for $1 billion, alleging that 160,000 of Viacom’s television clips had been uploaded to the site. 22 But in August 2008, a California judge dismissed a similar copyright infringement case involving a viral video company. The judge ruled the video company “should not have to shoulder the entire burden of policing third-party copyrights on its Web site.” 23

The case was closely watched by Google. If it is forced to more closely police its users’ activity, it would add greatly to costs and decrease the free-wheeling nature of the postings that are the hallmark of YouTube. (While YouTube is free, Google makes money from display ads on the site, selecting and displaying ads based on the content of the video a user selects. Advertiser fees are based on the number of views.)

Despite its willingness to experiment with new products, by the last half of 2008, Google began to scale back its expansive approach to new ventures. For years the company was committed to allowing its engineers to follow their product ideas, even if the revenue potential was not immediately apparent. It fit in with the goal of reducing the company’s reliance on search advertising, and the company’s revenue could pay for the experimentation.

But in December, with Google’s stock is trading at half its record value of $741.79 (hit in November 2007), Google CEO Eric Schmidt told the Wall Street Journal that the company would cut products “that haven’t really caught on.” He added that the policy of letting engineers pursue their own ideas would resume when the economy improves. 24

The company also eliminated 100 jobs from its recruitment office, reflecting a slowdown in its own hiring. 25 It also eliminated Print Ads, a service that sold print ads in more than 800 newspapers. The program was started in November 2006, and ended in January 2009. Google said it did not generate enough revenue.

One question, going forward, is whether maturity and the recession change the culture at Google, making it more cautious, less free-wheeling, and if so, whether that enhances or inhibits the company’s ability to adapt to a changing industry.
AOL

AOL, the former dial-up Internet access company that has had its ups and downs since its founding in 1983, also added new businesses in 2008, but continued to struggle to redefine itself as a company that makes money on advertising rather than Internet access subscriptions.

In February 2008, AOL acquired buy.at, a company that helps match advertisers to online content producers. The company also provides marketing services for advertisers looking for content ripe for its ads.

Two months later, AOL completed its $857 million acquisition of Bebo, a social networking site founded in Britain that specializes in the exchange of entertainment media among users. 26

In December, AOL announced a “re-launch” of Bebo as a integrated “social inbox” where users can aggregate all their email accounts, Twitter feeds and instant messages from competing social networking websites.

The deal had no shortage of critics, even after the changes were announced. “So far AOL’s having a hard time proving doubters wrong,” Fortune blogger Nicholas Carlson wrote in December. “While Bebo is popular abroad, its 5.9 million US uniques in October were just a fraction of MySpace’s 76 million and Facebook’s 46 million.” 27

AOL thought Bebo would form the centerpiece of its new People Networks business unit. Along with AIM, ICQ and AOL’s other community platforms, the unit said it had 80 million users worldwide. As part of the strategy, AOL also acquired Socialthing!, a start-up that aggregates social feeds from sites like Digg, Twitter, and Flickr.

“"AOL is now fully focused on growing our business in three key areas — our advertising network, publishing and people networks — by delivering relevant content and advertising across the Web, and we’re making great progress in each area,” Randy Falco, chairman and CEO of AOL, said. 28

Among other advertising businesses added by AOL were Advertising.com, which operates one of the largest third-party display ad networks; the behavioral-targeting leader Tacoda; Third Screen Media, which operates one of the largest mobile media networks; the market-leading video ad serving platform Lightningcast; Quigo, which offers advertisers the ability to target ads based on the content of Web pages; and ADTECH’s global ad-serving platform. 29

AOL also continued to struggle with the transition from a subscription-based revenue model to an advertising-based one. Since 2006, when AOL made the shift, advertising revenue has failed to offset declines in subscriptions, which are rapidly being supplanted by broadband service providers that offer faster Internet viewing over high-speed phone, cable and wireless systems.

AOL’s revenue in 2008 declined to $4.2 billion, down 20% compared to 2007. Subscription revenue dropped 31% while advertising revenue decreased 1%. 30

In January, the company announced it was cutting its workforce by 10%, or 700 employees. 31
The financial results fueled speculation that AOL might be sold by its corporate parent, Time Warner, the media conglomerate with interests in movie making, publishing, cable television and other industries. When the two companies merged in 2001, many observers considered it an acquisition of Time Warner by AOL. That was not to be. AOL chairman Steve Case has left and Time Warner executives are firmly in charge. In 2008, AOL provided slightly more than one-fifth of Time Warner’s revenue.

**White Spaces and Increased Internet Accessibility**

In 2008, the federal government approved a new form of broadband wireless Internet service that could open up the Internet to new service providers and make it more accessible to remote areas of the United States.

This came in the approval in November by the Federal Communications Commission of a plan to allow the use of so-called “white spaces” for wireless broadband. White spaces are the unused frequencies between television channels, which can penetrate walls and travel longer distances than current broadband wireless services. They were to become available as television broadcasters worked to completion of a mandatory switch to digital transmission in mid-2009. (For more on White Spaces, see Local TV Economics and Network TV Economics).

Companies like Google, Microsoft, Dell, Motorola and others want to use white spaces to provide high-speed wireless service to specially adapted mobile devices and laptops, desktops and other devices. These companies were joined by civil rights groups and rural organizations that think opening the channels could make the Internet more accessible in rural areas.

“The applications of this spectrum are nearly limitless,” Dell chief executive Michael Dell said. “There will be more expansive Internet access available in all communities, urban and rural, with laptop computers and other wireless devices.”

It is expected to provide consumers with a greater range and speed than Wi-Fi while costing less. It could also mean new and improved household entertainment equipment such as DVD players and TVs that chat wirelessly through walls, remote controls that are never out of range and hand-held devices that receive high-definition video signals, said Jake Ward, spokesman for the Wireless Innovation Alliance, which includes many technology companies and others that back the use of white spaces.

The technology could become available for consumer use as early as 2010, depending on how swiftly Internet providers and device manufacturers adapt.

The FCC planned to auction the white spaces with one key string attached: licensed white space Internet providers would be required to offer some free wireless broadband service.

**Net Neutrality**

Supporters of net neutrality won some key victories in 2008 that should keep the Internet equally open to voices small and large, at least conceptually.
In simple terms, net neutrality is the idea that those who provide Internet service should not provide more favorable terms to some content providers than others. It is the framework that has existed for years, whereby Internet service providers grant the same terms to all content providers, whether they are one of the largest media companies or an ordinary citizen.

The result is that users are able to access Yahoo News easily and at the same speed as they can access a community blog.

Some supporters of net neutrality want the concept codified into law. They argue that without legislation, a differentiated pricing arrangement would emerge that could be unfair to certain content producers. The fear is that smaller, noncommercial sites may not be able to absorb any higher fees set by the telecommunications providers.

Consequently, those sites unable to pay the premiums would be forced to run at slower speeds, and theoretically, be less desirable to Web users. Without net neutrality, they contend, the big will just get bigger.

Those lobbying for net neutrality include a broad coalition of corporate Web companies, including Google, Amazon.com and eBay, along with a number of consumer rights groups, many bloggers and several conservative religious organizations. In December, an article in the Wall Street Journal noted that a proposal by Google to speed up service to its users would have Internet service providers use Google servers in their networks.

That was seen by some as a violation of the principle. It would, the article said, “create a fast lane for its own content.”

Google insists its commitment to net neutrality and that it is only investing in an improved “content delivery network” for some of its content. 35

On the other side of the net neutrality debate are those who oppose legal restrictions on the Web. They argue that the Web should be left free of regulation. This is necessary, they say, to attract investment to expand the Internet’s capacity.

Opponents of net neutrality include a number of telecommunication companies such as AT&T, Comcast and Verizon, free-market advocacy groups, as well as the Communications Workers of America. 37 Internet service providers argue that they need a freer hand to regulate bandwidth because Internet-hungry consumers are gobbling it up faster than they can supply it. Absent some system for controlling how bandwidth is used — or a massive investment in new infrastructure in cables — providers say they simply cannot afford to stay in business.

In an important decision for supporters of neutrality, the FCC ruled in August 2008 that Comcast violated federal policy by slowing Web access to users of applications that require significant amounts of bandwidth and which are often used to illegally download movies and music.

Comcast is appealing the FCC ruling.

Despite industry objections, President Barack Obama’s election seemed likely to solidify support for net neutrality. As a senator he co-sponsored legislation backing net neutrality. 38 And during the election campaign, Obama said he supported the principle of net neutrality “because once providers start to privilege some applications or Web sites over others, then the smaller voices get squeezed out, and we all lose.” 39
On Web site, the campaign argued that “a key reason the Internet has been such a success is because it is the most open network in history. It needs to stay that way. Barack Obama strongly supports the principle of network neutrality to preserve the benefits of open competition on the Internet.”

Footnotes

1. NBC Universal is owned by General Electric Corp.
14. These figures represent the average of share data from three ratings agencies: Hitwise, comScore and Nielsen
15. Google SEC Filing, 10-Q for the quarter ending September 30, 2008


34. David Ho, “FCC Vote Opens Door to a Bigger Wireless Web,” Austin American-Statesman, December 8, 2008


**Charts & Tables**

<table>
<thead>
<tr>
<th>Charts &amp; Tables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AUDIENCE</strong></td>
</tr>
</tbody>
</table>

| Audience Growth: Top News Sites vs. Select Political Sites |
| Top News Sites (Nielsen Online) |
| Top News Sites (comScore) |
| Top News Sites (Hitwise) |
| Growth in Audience for Twitter.com |
| Online News Consumption |
| Time Spent Online |
| Most Popular Internet Activities |

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Network TV – Intro

Introduction

By the Project for Excellence in Journalism

Two years into a new generation of anchors, one hard reality about network news is clearer than before.

Changing the cast and even the content of the programs will not change the dynamics of the enterprise. The limitations of time slot, changing lifestyles and the growing desire of Americans to get their news on demand are more compelling. The problem was not that the anchors had been there too long or that the shows were too traditional.

There are glimmers in the data from 2008 we have not seen before. Audience numbers continued to fall during the year, both for morning and evening, but more slowly than in the past. And late in the year—and on into early 2009—they began to rise as the story turned to the economy, a complex trend story rather than a binary political campaign debate.

If anything the message contained in the newest data is an encouraging one for traditionalists: the programs faring best on the networks, among them NBC’s Nightly News and CBS’ 60 Minutes, share something in approach, a seriousness of purpose, a sense of responsibility and a confidence that the significant can be made interesting.

That is confirmed, too, by our content analysis. What the networks produce, especially in the evening, is becoming harder to find anywhere else in television news. The newscasts, the evening programs in particular, are broader in subject matter than cable news shows, closer to a newspaper front page, and more likely to contain reported, taped story packages that can be posted online, than any other daily programs on television. These qualities may also lend themselves to explaining the complexity of a collapsing economy.

The recession, nonetheless, is affecting everything and making a bad situation worse. While revenues have been under pressure for years, only one of the three network news divisions operated at a significant profit, and one may have just broken even. And some programs enjoying audience gains now are suffering revenue declines anyway because of the economy. It has reached the point, insiders say, where some stories are skipped because they are simply too expensive to cover. Perhaps one of the few bright spots is that news, at the moment, holding audience better comparatively than network entertainment.

The commercial network news divisions now compete with three clear disadvantages.
The first, almost never mentioned, is that their economic model significantly hinders them compared with cable television. All their revenue must come from advertising. They receive nothing in subscription fees from television providers as the cable channels do, even if they are part of the reason, especially in the digital age, that people buy cable or satellite TV. If networks did receive subscription fee, their economic profile would look vastly different.

Second, after years of cutbacks and declining audiences, it is hard for network professionals to generate a spirit of raw innovation or bold vision. Many in network news feel a strong sense of tradition and responsibility, but there is an air to it of greatness that is past rather than ahead. The most recent efforts at building something new and big are several years old (NBC's cross-platform strategy) or have been scaled back (CBS' plans online).

And third, despite their efforts, the three network news divisions remain, financially and culturally, at their core broadcast television operations. They offer their news at prescribed hours on programs of defined duration in an age when consumers increasingly want news on demand.

Over the long term, we and others have suggested before, the survival of the networks' news divisions may well depend on escaping the mindset and the brand of being tied to broadcast television. Can they become news operations whose identity is truly multiplatform, extending and exploiting across media their distinctive skills — telling stories, offering knowledgeable correspondents, featuring quality video and sober judgment.

It is clearer in 2009 than before that this strategy, if it is the right one, will not come as easily as some hoped. On its face, NBC has gone the farthest. But while CNBC and the Weather Channel are clearer fits, the MSNBC brand on cable is now increasingly built around opinion. MSNBC.com on the Web is still another brand, built heavily around text and wire copy, and co-owned with Microsoft and produced on the Microsoft “campus” in Washington State. As the site notes, it “features” NBC News, as if more a partner than an identity. Financially, the multiplatform operation Andrew Lack helped design in the 1990s has been a boon. Publicly and even internally, it is more complex, something that shares costs but not quite so clearly extends brand.

ABC News wandered away from building a cable operation in the mid-1990s, when it was at its peak as a news organization, and its website as a consequence lags that of NBC.

CBS News, long suffering, has tried in fits and starts to develop a digital presence, but its strategy keeps changing and it has no cable channel. For both ABC and CBS, alliances with CNN and others are often posited, but the problems to date have appeared too great.

If the network news divisions are to move beyond broadcast television to thrive, it is clearer to see how NBC might succeed. The route appears far more difficult elsewhere.

**Content Analysis**

**Network TV Content**

In a year dominated by the presidential campaign and the U.S. economy, how did the major broadcast networks cover the news? Did trends and patterns that were evident in 2007 continue last year? And how does network news
The short answer is that evening news on the three main broadcast networks tended to cover the election differently than morning news—oriented less around the horse race—but also tended to focus a good deal of its economic coverage on issues that were easy to present graphically and convenient but less than central to the eventual meltdown.

In 2008, the Project for Excellence in Journalism studied every minute of the three commercial networks’ nightly newscast, 30 minutes of PBS’ evening newscast and the first 30 minutes of the weekday morning shows. That represents a universe of 19,796 stories or about 915 hours of network news.

Some of the key findings about network news in 2008 include:

- Network news coverage of the presidential election, the U.S. economy and the war in Iraq closely tracked with the overall level of media coverage last year. Even so, one tendency of the network broadcasts, similar to that of the newspaper sector, was to provide a somewhat broader and more varied news menu than the media in general.

- Last year, as was the case in 2007, there was virtually no difference in the news agenda of the three big networks. The real contrasts emerge between the morning and evening news shows. There was significantly more election coverage in the morning than at night and more coverage of such things as Iraq and Afghanistan in the evening. Crime was significantly bigger in the morning, whereas education and health were much more prevalent in the evening.

- The conventional wisdom that cable news wrested the election franchise away from network news overlooks the role broadcasters played in the 2008 race. The most memorable Sarah Palin interviews were with ABC’s Charlie Gibson and particularly CBS’ Katie Couric. Colin Powell’s newsmaking endorsement of Barack Obama came on NBC’s Meet the Press. And all the widely watched general election debates were moderated by network broadcast journalists.

The nightly PBS newscast, the NewsHour With Jim Lehrer, differs substantially from its commercial network competitors in both format and news agenda. One of the most notable differences in 2008 was the NewsHour’s far more extensive coverage of international stories and events—everywhere from Iraq to Zimbabwe to the Gaza Strip.
Top Stories on Network TV vs. Media Over All
2008

Design Your Own Chart
Source: PEJ, A Year in the News, 2008
The Network News Agenda: Better Rounded Than Most

Throughout 2008, the news agenda in the media was dominated by two stories—the presidential election and the sharp downturn in the U.S. economy. And to a large extent, the main priorities of the three broadcast networks were similar to those of the broader media universe.

The historic presidential election of 2008 filled 32% of the network newshole compared with 36% in the media over all. The economy accounted for 16% of the network coverage compared with 15% over all. And networks devoted 3% of their newshole to the Iraq war, a number that was 4% in the media in general.

In certain areas, however, network television offered a higher level of coverage than the norm, similar to the newspaper sector’s tendency to deliver a relatively broad news mix in a year of narrowing coverage. Network news, which has traditionally dedicated substantial reporting resources to medical science, led all five media sectors in coverage of health and medicine (5% compared with 3% in the media in general). And due in part to the strong visual component of many disasters and accidents, the networks provided the most coverage of them (7%) in 2008—almost twice as much as the 4% in the media over all.

The data also suggest this visual orientation may have also influenced the nature of the coverage of the second-biggest story of the year—the economy. While the level of economic coverage on network news was only marginally different from the media over all, more of that attention than elsewhere was focused on energy costs and gas prices, which proved in the end to be something of a distraction from the credit and housing crisis that created the economic meltdown. In 2008, network news devoted more time to “pain at the pump” than any other media sector, thanks to an explosion of midyear coverage. In May, June and July—as oil surged to over $140 a barrel and a gallon of regular gasoline moved past $4—energy prices filled 8% of the network television newshole compared with 5% in the media over all.

Gas and Oil Prices Coverage Over Time: Network TV vs Media Over All

<table>
<thead>
<tr>
<th>Year</th>
<th>Network TV</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>8%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Design Your Own Chart
Source: PEJ, A Year in the News, 2008

Network Morning vs. Network Evening: Two Different News Views

An examination of network coverage in 2008 reveals the same pattern we saw the previous year. There was virtually no difference in the news agenda of the three big commercial broadcast networks. When it came to the election, ABC and
NBC devoted 33% of their newshole to that subject compared with 31% for CBS. On the economy, there was almost no difference (16% on ABC and CBS and 15% on NBC.) And all three networks devoted 3% of the newshole to Iraq. Indeed, seven of the year’s top-10 stories were the same on ABC, CBS and NBC.

Top Stories: NBC vs. ABC vs. CBS
Percent of Newshole

<table>
<thead>
<tr>
<th></th>
<th>NBC</th>
<th>ABC</th>
<th>CBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Election*</td>
<td>Election*</td>
<td>Election*</td>
</tr>
<tr>
<td></td>
<td>33%</td>
<td>33%</td>
<td>31%</td>
</tr>
<tr>
<td>2</td>
<td>U.S. Economy †</td>
<td>U.S. Economy †</td>
<td>U.S. Economy †</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>Olympics</td>
<td>Iraq War ‡</td>
<td>Iraq War ‡</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Iraq War ‡</td>
<td>Olympics</td>
<td>Olympics</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Afghanistan</td>
<td>Warren Jeffs and Texas Raid</td>
<td>Warren Jeffs and Texas Raid</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Warren Jeffs and Texas Raid</td>
<td>Violent Summer Weather</td>
<td>Violent Summer Weather</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Blagojevich Scandal</td>
<td>Holiday Season</td>
<td>Blagojevich Scandal</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Violent Summer Weather</td>
<td>Blagojevich Scandal</td>
<td>Mumbai Terror Attacks</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>China</td>
<td>Chinese Earthquake</td>
<td>Georgia/Russian Conflict</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Hurricane Ike</td>
<td>Afghanistan</td>
<td>Chinese Earthquake</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition  
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae  
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.

The results were the same when coverage was examined by broader subject areas. Each of the three networks devoted about the same percentage of their newshole to elections/politics, foreign affairs (international stories directly related to the U.S. and those that were not), economics, health, disasters, crime and education. In fact, they agreed on nine out of
the 10 top topics in 2008.

**Top Broad Topics: NBC vs. ABC vs. CBS**

Percent of Newshole

<table>
<thead>
<tr>
<th>Topic</th>
<th>NBC</th>
<th>ABC</th>
<th>CBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elections/Politics</td>
<td>31%</td>
<td>31%</td>
<td>29%</td>
</tr>
<tr>
<td>Economics</td>
<td>11</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Foreign (Non-U.S.)</td>
<td>7</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Disasters/Accidents</td>
<td>6</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Crime</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>U.S. Foreign Affairs</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Health/Medicine</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Business</td>
<td>4</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>U.S. Miscellaneous</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Government</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

The significant differences in news priorities emerged not between rival networks, but between the tightly produced evening newscasts and the somewhat chattier morning shows—NBC’s Today, ABC’s Good Morning America and CBS’ Early Show. (The PEJ examines the first 30 minutes of morning show content, when the more immediate, harder news is covered.)

Let’s start with the biggest story of the year. There was substantially more election news on the three morning shows (37% of the newshole) than in the evening (27%). Conversely, there was more coverage of the nation’s economic woes (17%) in the evening than in the morning broadcasts (14%).

A bigger difference emerged in the attention to the two shooting wars in which the U.S. is currently engaged. On the nightly news, 5% of the newshole was devoted to combined coverage of Iraq and Afghanistan. That is more than twice the attention (2%) given to those stories in the morning hours.

When it came to broader topics, other differences showed up. Crime coverage was about 50% bigger in the morning—6% compared with 4% at night. (On the morning shows, for example, coverage related to the raid on the Texas polygamy compound was the No. 4 story of the year, generating about twice as much coverage as in the evening.) At the same time, viewers were more than three times more likely to see health coverage in the evening (7%) as they were in the morning (2%).
Network News and the Election: Horse Race in the Morning, Policy at Night

Not only were there substantial differences in the amount of election coverage offered on the morning and evening news broadcasts, but they also diverged when it came to the key elements of that coverage.

The three morning news shows, for starters, were focused heavily on the horse race aspect of the campaign — who was ahead or behind, the tactics and strategy of the race. More than two-thirds of the campaign coverage (70%) airing in the first half-hour of the morning shows was focused on the horse race, substantially higher than the 57% in the media over all. Only 11% of the coverage on the morning shows was devoted to policy issues compared with 13% over all.

The campaign was reported quite differently in the evening hours. There, the horse race accounted for 59% of the campaign newshole, slightly higher than in the overall number. And coverage of policy accounted for another 15%, substantially more than in the morning (11%).
Why the intense focus on the horse race in the morning? In a campaign in which the candidates were often on the stump and making news late into the night, these early newscasts often seemed intent on resetting the state of the race—calibrating the candidates’ strategic positions and gauging the impact of the latest skirmishing—at the outset of each new morning news cycle.

## Frame of Campaign Coverage

### Percent of Campaign Newshole

<table>
<thead>
<tr>
<th></th>
<th>Network Morning</th>
<th>Network Evening</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Horse Race</td>
<td>70%</td>
<td>59%</td>
<td>57%</td>
</tr>
<tr>
<td>Political Other*</td>
<td>10</td>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>Policy</td>
<td>11</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Personal</td>
<td>5</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Public Record</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

*Includes stories about advertisements, electoral calendar, endorsements and treatment by the press

### Major Campaign Moments on Network News

In some ways, the role of broadcast news in the 2008 election may have been understated. The conventional wisdom that cable news, with its relentless coverage and sizable ratings increases, grabbed the campaign franchise away from network news misses something. Republican vice-presidential candidate Sarah Palin, whose interactions with the press were tightly controlled, sat down for two important interviews with ABC anchor Charlie Gibson and CBS anchor Katie Couric.

The Couric interview—when Palin stressed the strategic proximity of Russia to Alaska and couldn’t or wouldn’t mention the names of newspapers she read—may well have been one of the pivotal moments of the campaign. The Alaska governor clearly stumbled and raised doubts about her readiness. She was later quoted questioning the campaign’s decision to send her back for more after the first Couric interview had gone poorly.

Another important moment occurred on October 19, only 15 days before the voting, when President George Bush’s former secretary of state, Colin Powell, appearing on NBC’s Meet the Press, endorsed Obama and called him a “transformational figure.” That event dominated some precious news cycles in the waning days of the campaign.

It is also worth noting that the four general election debates were moderated by broadcast network journalists—Gwen Ifill and Jim Lehrer of PBS, Bob Schieffer of CBS and Tom Brokaw of NBC. The second Obama-McCain face-off attracted the largest viewership of any presidential debate since 1992 and the audience for the Palin-Biden meeting was the biggest for any television debate since Ronald Reagan and Jimmy Carter squared off in 1980.

During the campaign, candidates also made news by actively making the rounds on morning network shows. On
February 5, the day of the crucial Super Tuesday contests, Hillary Clinton appeared on all three network morning shows encouraging people to come out and vote. On July 9, Obama was on all three network morning shows explaining his stance on Iran’s missile test. And just as the financial crisis was exploding, John McCain was talking on September 16 about the economy and his ability to handle the financial crisis on the morning circuit.

**Format in Network TV**

Our previous examinations of evening network news have found a certain thoroughness and precision of reporting not seen in cable or even on the morning news—a characteristic stemming largely from a reliance on taped and edited correspondent packages as the core of the nightly newscast. Even with continuing financial pressures on the networks, those qualities were maintained.

**Story Format ABC vs. CBS vs. NBC**

Percent of Newshole

<table>
<thead>
<tr>
<th></th>
<th>ABC Evening</th>
<th>CBS Evening</th>
<th>NBC Evening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Package</td>
<td>82%</td>
<td>82%</td>
<td>78%</td>
</tr>
<tr>
<td>Interview</td>
<td>9</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Anchor Read</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Staff Live</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Live (event or external live)</td>
<td>&lt;1</td>
<td>&lt;1</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Unedited Audio/Video</td>
<td>&lt;1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
<td>&lt;1</td>
</tr>
</tbody>
</table>

In 2008, correspondent packages made up 81% of the time on the nightly newscasts, down only negligibly from 2007 (82%). Anchor interviews rose from 6% in 2007 to 8% in 2008. ABC and CBS relied more on taped packages than NBC, a continuation of a trend we saw in 2007.

One significant format change was the increase in anchor interviews on the CBS Evening News—doubling to 8% from 4% in 2007. When Couric arrived at CBS from NBC’s Today show in late 2006, interviewing was considered to be one of her strong points and initially it was a significant part of her role in the newscast. But in 2007, the network narrowed her anchor role and cut back on the interview time. Last year, that decision was apparently revisited and it produced perhaps the most memorable network conversation of the year—the Palin sit-down.
The trend on the morning broadcasts in 2008 was toward more interviews and fewer reported packages. Anchor interviews filled 36% of airtime studied in 2008, up from 30% a year earlier. The percentage of the morning newshole devoted to taped packages fell to 44% last year compared with 50% in 2007. That decrease occurred across the board at Good Morning America (50% vs. 54%), the Early Show (44% from 51%) and Today (40% from 46%).


The PBS nightly newscast, the NewsHour with Jim Lehrer, is considered by many as an alternative broadcast to the three major networks for a number of reasons, including its length, its news priorities and its format. The hour-long program is mostly interview-driven, with the first seven minutes or so devoted to a summary of the day’s news, followed generally by three to five interviews exploring topics further.

But these interviews are quite different than on network morning and evening newscasts. The segments are longer (on average four minutes vs. three on morning shows and two on evening newscasts) and usually involve analysts and scholars.

The topic agenda also differed on the NewsHour.

One clear finding is that the PBS newscast was considerably more focused on stories beyond the U.S. borders. Besides Iraq, the war in Afghanistan, the cyclone in Myanmar, the turmoil inside Pakistan, the elections in Zimbabwe and the Israeli-Palestinian conflict all made the NewsHour’s top-10 roster of stories in 2008. With the exception of Iraq and Afghanistan, none of them were on that list on the commercial networks’ nightly programs.

The NewsHour’s greater emphasis on overseas events was even more obvious when coverage was examined on the broader subject level. Almost a quarter (23%) of the newshole on PBS was devoted to foreign affairs (both those that directly involved the U.S. and those that did not) while those subjects accounted for 13% on the three commercial network newscasts.

Compared with the commercial networks’ evening newscasts, the NewsHour offered more presidential election coverage in 2008, with 32% of the airtime studied devoted to the story compared with 27% of evening network news. But there was somewhat less of the campaign horse race on PBS (54%) than on the other evening programs (59%) and there was more coverage of policy issues on the NewsHour (19%) than on its commercial competitors (15%).

The U.S. economy also received more coverage on PBS—20% of the newshole versus 17% on the commercial
networks’ nightly news. And the NewsHour devoted 6% of its newshole to the Iraq war compared with 4% on the evening broadcasts.

Top Stories PBS vs. Network TV (w/o PBS)

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>PBS</th>
<th>Network TV (w/o PBS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Election*</td>
<td>32%</td>
<td>Election* 32%</td>
</tr>
<tr>
<td>2 U.S. Economy †</td>
<td>20</td>
<td>U.S. Economy † 16</td>
</tr>
<tr>
<td>3 Iraq War ‡</td>
<td>6</td>
<td>Iraq War ‡ 3</td>
</tr>
<tr>
<td>4 U.S Domestic Terrorism</td>
<td>2</td>
<td>Olympics 2</td>
</tr>
<tr>
<td>5 Myanmar Cyclone</td>
<td>1</td>
<td>Warren Jeffs and Texas Raid 1</td>
</tr>
<tr>
<td>6 Supreme Court Actions</td>
<td>1</td>
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<td>9 Zimbabwe Elections</td>
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<td>Holiday Season 1</td>
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<td>10 Israeli/Palestinian Conflict</td>
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<td>Chinese Earthquake 1</td>
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* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.

Audience

Audience

*By the Project for Excellence in Journalism*

The audience for network television news programs shrank again in 2008, continuing a quarter-century of decline.

To a greater degree than before, Americans turned instead to other outlets for news. On election night, for example, the total audience watching cable channels nearly equaled that watching the broadcast television networks for the first time.

For all that, however, nearly 23 million viewers still tune into the three nightly newscasts each day, several times the number that are tuned into the three cable news channels at any given moment during prime time.

Among major trends in 2008:
• The three commercial nightly newscasts over all lost viewers for the year, although the declines were about half of those of recent years. In the race among the networks, NBC Nightly News with Brian Williams remained No. 1 and even had slight gains in audience. ABC’s World News with Charles Gibson remained second although it lost virtually all of the audience gains it enjoyed a year earlier. The CBS Evening News with Katie Couric fell farther behind.

• The audience for the morning news shows fell for the fourth year in a row. But those losses, too, were not evenly spread across the board. NBC’s Today Show, the longtime leader, gained viewers while the second-place ABC’s Good Morning America lost. The CBS Early Show posted a slight 1 percent loss in viewers for the year.

• NBC’s coverage of the 2008 Olympics in August was the second-most watched Olympic Games ever, and there is some evidence this translated into temporary viewership gains for NBC’s evening and morning news programs. Both NBC Nightly News and the Today Show enjoyed a bump of almost 1 million viewers each in August when NBC was broadcasting the games. The gains did not last.

• Two full years with a younger set of network anchors has done nothing to attract younger viewers to the evening newscasts. The viewership of the morning news shows also got older on average.

**Nightly Newscasts**

Even in a presidential election year, with intense interest in the campaign and the economy, the audience for network nightly news continued to shrink, though a slower rate than in the past. And there were signs late in the year of Americans turning back to the medium in hard times.

The audience jumped in September when Wall Street declined sharply and the major political parties nominated their candidates. And the audience numbers kept growing after that. By January 2009, nightly news viewership was higher than it had been a year earlier on the eve of the presidential primaries. (see the Cable Audience Section)

But in the end, the growth in fall and early winter was not enough to lift viewership for the year over 2007.
For the year, according to data from Nielsen Media Research, the networks combined averaged 22.8 million viewers a night, a drop of 273,000, or 1%, compared with 2007. This is a smaller decline, however, than in recent years. Over the past 25 years, the audience has fallen about 1 million per year, while the U.S. population has grown an average of 2.8 million a year. 1
Household ratings, another measurement of audience size, reveal the percentage of all television households tuned to a particular program. In 2008, the three network nightly news programs together pulled in a combined household rating of 15.6, meaning 15.6% of television households were tuned to network news programs. That was down 2.5% from 16 in 2007, according to Nielsen. 2

The third measuring stick for audience is share, or the percentage of just those television sets in use that are tuned to a particular program. In 2008, the average share for the three newscasts declined 6.7%, to 28, down from 30 in 2007, according to data from Nielsen.

To get a sense of the extent of decline over time, consider 1980, the year that CNN began, and U.S News & World Report asked “Is TV News Growing Too Powerful?” For the month of November of that year, total viewership of the network news programs was 52.1 million, household ratings were 42.3, and the share was 75. Thus since 1980, if one compares November to November data, nightly network news viewership has fallen 53%, ratings have fallen 61%, and share 64%. 3
Evening News Household Ratings Over Time
1980-2008, November to November

Design Your Own Chart

Source: Nielsen Media Research, used under license
The Race Among the Networks

The race among the three network evening newscasts was a case of the audience leader pulling somewhat farther ahead and the No. 3 program falling notably farther behind.

NBC Nightly News with Brian Williams, the No. 1 rated program, had its audience grow to an average 8.6 million viewers a night for the year, an increase of 3%, or about 272,000 viewers, from the year before. That represented an average household rating of 5.8 for the year, up from 5.7 in 2007, and share of 11, same as the year before. 4
ABC, which had made gains in 2007, gave them back in 2008. ABC’s World News Tonight with Charles Gibson averaged 8.1 million viewers in 2008, a loss of about 250,000 viewers, or 3%, from 2007. It is also roughly the same number of viewers ABC gained in 2007 after Gibson took over the anchor chair. Its household rating for the year was 5.6, down from 5.8 the year before, and its share was 10, down from 11 in 2007.  

The third-rated CBS Evening News with Katie Couric suffered the largest audience losses, though they were less than the year before. The program had an average nightly viewership of 6.1 million viewers for the year, a drop of 5% year to year, or about 195,000 viewers. That decline, though, is less than half as big as the year prior’s drop of 13.4%. Couric drew an average household rating of 4.2 for the year, down from 4.5 the year before, and share of 7, down from 8.  

Were those numbers helped by Couric’s interviews with GOP vice presidential candidate Sarah Palin in late September? The evidence, on balance, suggests they may have been, although more people watched the Couric interviews on YouTube than on CBS (see the sidebar in the Network Audience Section). Since September, CBS gained
viewers month-to-month four out of five months, compared with just once for ABC (in September during Gibson interviews with Palin) and twice for NBC (November and January). The only month CBS did not gain was in November, when it basically flat.

In other words, Couric, who according to most critics had a more successful year journalistically in 2008 than 2007, and who airs on the network with the strongest prime-time entertainment ratings, did see the trend line at the end of the year become more positive. But even with the late-year gains, her program in 2008 still lost audience faster than its rivals for the year over all.

Evening News Household Ratings 2007 vs. 2008

Source: Nielsen Media Research, used under license
In share, or the percentage of television sets in use tuned to news during the half-hour, NBC was at 11 for the year, ABC was at 10, and CBS 7.

Earlier in the year, Couric's persistently poor ratings led to speculation that she could be replaced as anchor before the expiration of her contract in 2011. Those discussions reportedly included finding Couric a spot on 60 Minutes (where she is a contributor) or a syndicated talk show.

By fall, however, network executives remained supportive in public of her performance as anchor. 7 CBS President and CEO Les Moonves strongly backed Couric after the conventions in early September. “We all wish the ratings were better,” Moonves said. “I think the conventions accentuated what a phenomenal talent she is. She is great on her feet. She is a great interviewer. She’s great at passing the ball around. I think she did an extraordinary job, and I was extremely proud of her and our entire CBS News team during the conventions. I think we showed how good we were. I really do. Ratings notwithstanding, we're doing a terrific job.”
Those comments came, moreover, before Couric gained praise among journalists for her September interviews with Palin.

Looking forward, what is to be made of the gains in network viewership late in 2008 and early in 2009? During the last week of January 2009, the CBS Evening News drew its biggest weekly average in two years, ABC’s World News Tonight had its largest weekly average in a year, and NBC’s Nightly News drew its biggest one-day audience in three years. 9 For the month of January as a whole, network audiences were up 1% compared to the same month the year before. All three networks made gains as they focused reporting on the ailing economy. But the question, obviously, is whether the networks can sustain that for the year and reverse the long audience decline. Some hope that hard times may bring back lost viewers, people not inclined to cable talk or the Internet.

**Network News vs. Cable**

Precisely which factors have played the biggest role in the decline of nightly news audiences? Sorting that out precisely is impossible. As we have noted in earlier years, various factors are at play—fewer people home at the dinner hour, a preference among some for the more opinionated style of many cable news programs, or maybe simply the convenience of cable, plus the control and convenience of the Internet, or some combination. We have offered the most in-depth analysis of this in the Cable Section of our 2004 report.

But there is a window of sorts on understanding one dimension of this—the degree to which audiences may choose cable over network news when given the choice. That window opens when the networks and their cable rivals compete head to head by covering the same event at the same time. Election years offer an especially useful frame for this window because there are similar moments every four years that allow us to compare that competition over time.

The networks have tended to remain dominant during these head-to-head moments, even though they have cut back on coverage. It has become common during the first hours of political conventions, for instance, for the networks to air reruns of old entertainment programs, ceding these conventions hours to cable.

In 2008, the cable channels came closer than ever to surpassing the networks, though they didn’t quite get there. On election night, the big three broadcast networks attracted an average of 32.9 million viewers between 8 p.m. and 11 p.m. That was down 9% from election night 2004.

The big three cable news channels, by contrast, attracted 27.2 million viewers on average during that period, up 58% from 2004 (see discussion of election audiences in Cable Audience Section).

During the conventions a few weeks earlier, the three major cable networks had also come closer than ever to the combined audience of ABC, CBS and NBC. 10 At the Democratic convention, the networks averaged 14.1 million viewers during the 10 p.m. hour, while the cable news channels averaged 10.1 million. During the Republican convention the networks averaged 15.2 million, and the cable news channels 11.3 million. 11
(The combined audience of cable and network news for the conventions appeared to be a record in 2008, thanks in part to heightened campaign interest and in part to population growth. About 48 million households watched the conventions in 2008, up markedly from 32 million households in 2004.) 12
Comparing the networks’ popularity versus cable the rest of the time is more complicated. By the most basic measure, ratings, network nightly news still dwarfs cable. In 2008, night in and night out, the 22.8 million viewers who on average watched the three nightly newscasts was nearly seven times larger than the combined audience of the three main cable news channels at any given moment in prime time (3.5 million viewers) (see Cable Audience Section)

But given the nature of cable, ratings comparisons with network evening newscasts do not tell the whole story. Viewers may tune into cable at different times during the day.

To discern the degree to which people rely on cable vs. network news more generally, survey data are also helpful. Here, one can see that while the ratings for the evening newscasts are still vastly larger than for even the most popular cable shows, cable’s universe of viewers is much closer to the networks’ in size. More Americans for some years have said they regularly watch cable news (39%) than watch the three nightly newscasts on the traditional networks (29%), according to data from the Pew Research Center for the People & the Press. 13
But this does not include network morning programs. When the number of Americans who watch those programs are added to the mix—eliminating duplicate viewers who watch both—the network news audience (39.3% of Americans) was essentially the same as cable news’ (39.6%).

In short, while many people get news now from multiple sources, and network and cable have different strengths, cable is a substantial factor in the decline of network news audiences that began in the 1980 at the time that cable television began to grow. But the offerings on cable are also different enough that network news has remained, in many ways, remarkably resilient.

Nightly News Audience Demographics

Another challenge for the evening network newscasts is attracting younger viewers. In 2008, they made no progress on this front.

The median age of nightly news viewers was 61.3 years for all three evening newscasts in 2008, according to data provided by Magna Global USA, a media buying firm. That was virtually unchanged than in 2007, when the median age of all three networks averaged 61.4. The median age was roughly 60 years of age between 2004 and 2006.

These demographics are important. Some television news professionals say the industry barely looks at overall ratings anymore, given how important younger demographics are to advertisers on the theory that younger viewers are more fluid in their consumer choices.

In the competition among the networks for demographics, NBC fared best. The network managed to lower the median age of its viewership from the previous year and had the youngest of the three networks though only by a matter of months. The median age of NBC Nightly News viewers was 61.1 in 2008, down from 61.6 in 2007.

The audience for the CBS Evening News was the oldest, with a median age of 61.4. That was older than last year’s median age of 61 for the newscast. And the audience for ABC World News audience had a median age of 61.3 in 2008, slightly down from the median of 61.5 in 2007.

One bright spot for the networks is their websites. The majority of network news website visitors are under the age of 50, according to Quantcast, an online audience measurement service. In December 2008, 72% of visitors to CBSNews.com and 61% at MSNBC.com were under age 50. And more than a quarter of the audience is under age 34 (28%) for MSNBC.com and 36% at CBSNews.com. 14
Despite some bright spots, the news for the networks’ morning shows, as a group, was also worrisome. In 2008, the combined viewership for morning shows fell for the fourth year in a row despite a spike during the fall campaign for president. Almost all of that decline came from problems at one program, ABC’s Good Morning America. Still, it meant fewer people watching network morning shows.

Total morning news show viewership averaged 13.1 million in 2008, down 2% from 2007 despite a surge of viewers in the news-heavy month of November, according to data from Nielsen.
Average household ratings fell 4% to 10 in 2008, down from 10.4 the year before. Share fell 3% to 33, down from 34. At Good Morning America, viewership fell 8% in 2008, to 4.4 million viewers, a loss of 368,000 from 2007.

Household ratings also fell 8%, to 3.4, down from 3.7 the year before. Share dropped 8% as well, to 11, down from 12.

While GMA fell, NBC’s Today Show gained, although it picked up only half of the audience ABC lost. The Today Show, which finished first for the 12th consecutive year, averaged 5.5 million viewers in 2008, a gain of 151,000, or 3% from 2007, according to Nielsen data. Household ratings and share remained the same year to year, at 4.2 and 14, respectively. The success of the Today Show is even more impressive given that the network ranked fourth in prime-time programming in 2008, which means fewer people were tuned to NBC when they turned off the set the night before.

And CBS’ Early Show, still No. 3, saw average daily viewership fall slightly by 44,000 people, or about 1%, to 3.1 million viewers each morning. The relatively modest fall may have resulted from its increasingly popular prime-time lineup. CBS ended the 2007-2008 race a strong second to Fox, and performed more strongly than all other networks during the first half of the 2008-2009 season. Viewers who turn off their televisions at night tuned to one network historically are more likely to stay tuned to that network in the morning.

CBS News’ household ratings also fell slightly to 2.4 from 2.5 last year, and the program’s share remained at 8 year to year.
Despite the differences by network, the overall decline in morning shows for the fourth year may well be a source of new concern. While evening ratings were declining in recent years, morning audiences had been more stable.

The audience erosion in the mornings – however incremental the declines — suggests that this economically powerful franchise may now begin to see more problems.
Morning News Household Ratings
2007 vs. 2008

- **ABC Good Morning America**
- **CBS Early Show**
- **NBC Today Show**

Design Your Own Chart
Source: Nielsen Media Research, used under license
Morning News Demographics

As it is in the evening, another potential concern for the morning shows is age. The median age of the morning audience inched upward in 2008 to 53.9 in 2008, from 53.8 a year before, according to data from Magna Global USA.

CBS’s Early Show is the youngest (52.9, up from 52.8 in 2007). The Today Show is in the middle, though it aged the most (at 53.7, up from 53.4 in 2007). ABC’s Good Morning America had the oldest audience, again, 55.1, although that was slightly younger than the 55.3 a year earlier.
One bright spot, at least for NBC, was the Olympics. The Beijing Games translated into more viewers both for evening and morning newscasts in August, although the gains did not hold up after the month was over.

The Nightly News audience jumped by more than 940,000 viewers in August when the games were broadcast, after declining for the previous several months. The ABC and CBS newscasts lost viewers in August.
And the Today Show drew 875,000 more viewers in August than the preceding month. The total was 789,000 more than in August 2007. Even without the August boost, however, the show would have remained the most-watched morning show on network television.

The network’s prime-time broadcasts of the games drew an average of 27.7 million viewers, 13% higher than the 24.6 million who viewed the 2004 Athens Games. It was the largest audience for a Summer Olympics outside the United States since the 1976 Montreal Games. 18

As the U.S. broadcast rights holder, NBC had a number of benefits over its rivals when it came to access to participants and video. The network also said that part of its ratings success was attributable to its decision to create a comprehensive website devoted to the games. Among other things, the website allowed users to stream video footage of events, highlights and updates on demand. 19
The Internet, rather than replacing television viewers, actually encouraged additional viewing on television, NBC said, pointing to the higher ratings as evidence.

“The results have been phenomenal,” said Gary Zenkel, president of NBC Olympics. “We’re fairly certain that multiplatform distribution is fueling that interest [in network prime time] and driving everyone to share the Olympics together as they have since the beginning. They’re gathering in greater numbers than ever.” 20

However, NBC didn’t have a lock on Olympic traffic online. Yahoo Sports also drew large numbers of news consumers, and without featuring any video. On a few days during the games, Yahoo Sports actually topped NBC’s traffic numbers, even without the lure of video.

**The Sunday Shows**

The one place where the three networks showed genuine gain in audience in 2008 was on their Sunday talk shows.

The 2008 season was the 61st for Meet the Press, and the program finished as the most highly rated Sunday interview show for the 11th consecutive year, beating out ABC’s This Week, CBS’ Face the Nation and Fox News Sunday. (CBS typically runs third in ratings, and that is in part due to the fact that it remains only a half-hour long.)
In December, NBC newsman David Gregory was named as the new host. He inherited a show that was a substantially more important part of the NBC News than the one that the late Tim Russert took over in 1991, when it was third place in the ratings. During his tenure, Russert expanded the program to an hour and established it as the ratings leader, supplanting This Week With David Brinkley. "Tim reinvented the Sunday talk show," said Chris Wallace, who moderated "Meet the Press" in 1987 and 1988, much as Brinkley and a team of producers had a decade earlier, when they were the first to expand to an hour, add a reporter discussion group and additional guests. 21

Russert not only made the program a financial engine for the news division, but his interview style also became something of a test for political figures. If they wanted to prove their mettle, handling a Russert interview was part of the test.

Footnotes

1. According to the U.S. Census, the county’s population was 233,791,994 in 1983. The estimate for 2008 was 303,824,640

2. Another way to measure ratings is by individuals 2 and older who tuned in. The “P2+” rating for all network nightly newscasts in 2008 was 8, meaning that roughly 8% of all Americans over the age of 2 were watching.

3. This comparison, as well as many of our charts, uses November to November data because that is the data format available going back to 1980. November data tend to be slightly higher than the annualized average for 12 months for each year. November is a “sweeps” month during which audiences are measured. In November 2008, an average of 24.5 million people watched the three nightly network newscasts each night, equaling a household rating of 16.3, representing a share of 27.

4. The “P2+” rating, or the percent of viewers 2 and older who tuned in, for the NBC Nightly News was 3.0 in 2008 and 2.9 in 2007

5. The “P2+” rating for ABC World News was 2.8 in 2008 and 2.9 in 2007

6. The “P2+” rating for CBS was 2.1 in 2008 and 2.3 in 2007


11. Nielsen Media Research, used under license

12. Nielsen media research, used under license. The number of households watching the conventions on television — cable or network—was just 26 million in 1960 and grew unequally to 40.5 million in 1992, a record that stood until 2008.
Also, 2008 was not a record when it came to household ratings, a number that is stabilized to account for population growth. The household rating was 42 in 2008, up from 30 in the previous presidential election year. Prior to 2008, ratings for the events had been falling since 1976 when they hit 57, according to Nielsen. The conventions also had a rating of 57 in 1960.


15. The “P2+” rating, or the percent of viewers 2 and older, watching morning news shows, was 4.5 in 2008, down from 4.7 in 2007

16. The “P2+” rating, or the percent of viewers 2 and older, who watched the Today Show was 1.9 in 2008, unchanged from 2007; Good Morning America was 1.5, down from 1.7 in 2007; and CBS Early Morning was 1.1 in 2008, unchanged from 2007.

17. During the 2007-2008 network broadcast season, NBC ranked fourth in number of viewers, drawing an average of 7.75 million per week. That compared to 8.87 million for ABC, 10.08 million for CBS and 10.88 for Fox. The 2008-2009 season shows a similar ranking.


Network TV Economics

By the Project for Excellence in Journalism

Network news divisions, already under long-term pressure, were hit even harder in 2008. The faltering economy sent them scrambling to trim earnings estimates and cut costs. And a surge of interest in political and economic news failed to generate more ad revenue for network news programs in 2008.

These cyclical problems only added to underlying and long-term pressures on the networks caused by changing technology. And matters were made more complicated because of problems elsewhere in the companies that own networks. Disney, ABC's parent, for instance, made plans for cutbacks in 2009 based on expected declines in visitors to theme parks, declining advertising on its television programs and declining sales of Disney-produced music and movies. Problems at NBC and its owner, General Electric, have affected NBC News.
Network News Advertising Revenue

Assessing network news economics presents particular challenges. The networks do not release revenue data for their news divisions, let alone for any news programs in particular. The news divisions are sub-units of the networks, which in turn are now sub-units of television divisions of companies, which may in turn be subsidiaries of larger conglomerates.

Some market research firms estimates how much ad revenue each network news division brings in. The best known of these is TNS. But these estimates, insiders say, often do not reflect actual revenues.

TNS takes the networks' advertising rate cards and estimates revenue based on how many advertisements air on each program. While widely used in the industry, there are several reasons they may be off. Advertisers may buy time across multiple programs, or even television channels, owned by the same parent company. There is no way of knowing what discounts may be applied to the ad buys. Nor do the estimates account for the cost networks may pay to advertising agencies. Not infrequently, TNS estimates suggest that lower-rated programs bring in more money than higher rated ones.

Still, the TNS data offer a starting point, from which we can extrapolate some more precise estimates based on private discussions with those more familiar with network economics.

TNS estimates suggested that network news revenues were down slightly over all from their estimates a year earlier through the first 11 months of the year.

TNS estimated that CBS pulled in $176 million in ad revenue for its morning and evening news programs through the first 11 months of 2008. That number, according to PEJ sources inside the industry, was probably low. We would estimate revenues from morning and evening news for the year at closer to $230 million, and when 60 Minutes, 48 Hours, Sunday Morning, Face the Nation, and all other radio and television news programs are added in, the total will be about $500 million.

ABC likely had revenues higher in 2008, closer to $700 million, according to our estimates, consulting TNS data and other sources. That, by our calculations includes probably something close to $200 million for World News, in the neighborhood of $400 million for Good Morning America and the rest coming from its magazine programs, Nightline, 20/20, its Sunday shows and more.

NBC, by all industry estimates, is the leader in revenue. It was No. 1 in evening news during 2008, and in morning news with Today. The morning program also produces more hours than its competitors. According to television professionals, being the ratings leader in a time slot for news traditionally translates into a premium for advertising revenues of roughly 10% for those shows. Meet the Press, also No. 1, is an important revenue source as well. NBC makes less from magazines than its rivals, given that it is down to one program a week, Dateline, airing often on Saturday. Sorting out the accounting between NBC and MSNBC on television is another complication. In the end, we would estimate NBC News revenues at somewhere above $800 million, but in television, the number can be accounted for in various ways, particularly when ads can be bought in packages not only across programs but across channels. And NBC’s ownership of more cable channels than its rivals makes that accounting more complicated.
It is quite possible that NBC News is the only news division in 2008 to be a significant profit center. By one accounting, NBC, MSNBC and MSNBC.com may have returned pre-tax profits of $400 million.

At ABC and CBS, in turn, the pressure on news to turn a profit may also have lessened somewhat. At least for the moment, our sense is that the nightly newscasts, in particular, are managing costs at both networks in such a way that they are not losing money, but the pressure on them to be profit centers is not intense. Revenues are probably greater than expenses, but not very much so. The CBS Evening News and Early Show together may be just breaking even, with whatever operating profit the division generates coming from 60 Minutes and 48 Hours, Sunday Morning and elsewhere.

If the pressure on the news divisions to be profit centers has lessened at all, several factors are at play. Some executives say their owners more fully understand the role that the news divisions play in building brand. It may also be that even if the news programs cannot make a profit, the cost of removing them from the schedule is thought to be too damaging. The shift has also coincided with prime-time news magazines becoming a smaller part of what news divisions produce, particularly at ABC and NBC. The news magazines had to justify themselves on the schedule against entertainment programs. If they didn’t bring in more in operating profit than a sitcom, drama or reality show, there was little reason for network programming executives to put them on the schedule. Whether these shows aired was strictly a business decision. And there is now far more money to be made elsewhere than in news magazines, particularly in reality programming.

We sense from network insiders, too, one other shift in network news. The pressure from advertisers seems more intense. Demands for “synergistic” pieces on the morning programs, a category that could mean anything from features about brides that might attract certain advertisers to tie-ins with other network properties, has become more intense. Political commercials ran inside the network newscasts in the last year, something once considered forbidden because it might encourage confusion between ads and news. As the business becomes more difficult, and revenues harder to scrabble together, the pressure to find new ways to attract revenues inevitably increases. And that will inevitably make the job of network news professionals more complex.

**News Investment**

News Investment  
*By the Project for Excellence in Journalism*

The three networks with news operations further pared their broadcasts in 2008, and additional cuts appeared to be on the horizon in 2009.

The reductions in staffing appeared to hit on-air personnel in particular. That contrasts somewhat with our estimates of a year earlier, when the impact appeared to be felt more behind the camera.

Overseas, all three networks had, by the end of 2008, eliminated all full-time reporters in Iraq—a change reflected in their news content, which shows a large drop in stories about the Iraq war for the year (Networks say they maintain bureaus in Baghdad, but others suggest the lack of a full-time correspondents suggests the term “office” would more accurately describe their presence). Coverage of foreign affairs generally also fell in 2008 (See the Year in the News). And there were changes in geography. ABC opened a bureau in Havana. NBC shut one in Mexico City and another in New Orleans.
Staffing

After big cuts in 2007, the network's staffs shrank at a lower rate in 2008, one that was more in line with the steady erosion that marked the early part of the decade. But most signs suggest the cuts will deepen in 2009 in response to a worsening economy.

NBC Universal, parent company of NBC, announced in December it would cut almost 500 jobs, or 3% of the company's personnel, as part of a cost-savings plan. Said NBC Universal President and CEO Jeff Zucker in an internal e-mail, "We have no choice but to respond quickly to the external economic forces that are affecting the entire world economy."

The cuts eliminated all Dateline staffers in Los Angeles and Dallas. According to some sources, Dateline's entire Washington unit was cut, and the special events unit in Washington was cut perhaps by half (NBC did not return calls to confirm these cuts). But the rest of the news division, including evening and morning news plus CNBC programs, according to the report, were to be minimally affected.

At ABC News, President David Westin, sent an email in October warning staffers that ABC News is not "immune from the downturn" and that the news division would be implementing new "guidelines" to "reduce administrative costs," which included canceling all of its magazine and newspaper subscriptions, forgoing holiday parties, and scaling back on travel accommodations for executives.

In a move to cut costs mid-year, ABC also consolidated its Nightline operation in New York, cutting 12 staff from its Washington office and moved those posts to New York. That left a few producers (exact number is not available) in Washington along with correspondent John Donovan and co-anchor Terry Moran. Moran, however, already spends much of his time anchoring from New York.

Then in January, ABC News lost 35 to 37 jobs as part of a larger 400-person layoff across all ABC divisions. The news division, already hit with cutbacks earlier in the year, most recently in the fall, was spared the worst of the 2009 cuts. Still, four units lost employees: Primetime, 20/20, ABC News Now digital service and ABCNews.com.

CBS faced cuts late in 2008 as well, but publicly the company had only reported reductions at its Interactive Division in the wake of its $1.8 billion acquisition of CNet.com in May. The network would not disclose the number of job cuts, but in a statement said that "CBS Interactive continues its integration process, which now calls for the further combination of several portions of the division into unified groups oriented around similar content."

The networks do not publicly release detailed staffing figures. The best evidence available, for domestic staffing at least, is found in the News Media Yellow Book database, published by Leadership Directories. This accounting comes with a caveat. These listings are self-reported by the companies, which means that not every staff member may appear and not every network may list things the same way, and that they are limited to U.S.-based employees. Also, news divisions owned by the same company, such as NBC News and MSNBC, often pool resources. Staff members who contribute to MSNBC's newsgathering operations may be listed as an employee of NBC News.
Still, the tracking of numbers year to year by network offers a glimpse of trends.

The reductions in 2008 were largely felt among on-air staff. Anchors and correspondents, whether based in a bureau or associated with a program, dropped 6%, compared with a 1% decline in 2007, the directories show.

By contrast, the number of producers, editors, researchers, assignment managers, and other “off-air” staff listed in the directories grew by one person during 2008. A year earlier, the number of people listed in those job categories had fallen 24%.

The figures reveal some shifting among off-air jobs. There was a 10% gain in producers and a 13% decline in all other off-air positions. That, coupled with the overall 6% drop in on-air positions, suggests the networks appear to be trimming higher-paid correspondents and more specialists in off-air jobs and expanding perhaps the role of producers, who manage and direct the day-to-day work of getting programs on air.

There were also geographic shifts. News staffs were increasingly concentrated in New York. The networks' domestic bureaus — everyone not at the New York headquarters offices — dropped 6% in 2008, according to the directories.

The relatively modest cuts in news staff does not reflect the severity of the impact, according to one former news executive. Even though staff numbers declined moderately, many of those who left in 2008 were highly experienced managers and producers. Their replacements were for the most part less-experienced, lower-paid employees.

One bright spot in 2008: the online operations are on the rise. Beginning in 2007, Yellow Book's database started to measure staffing devoted to the online blogs, websites and other offerings of each network. The three networks added a combined nine positions to these staffs in 2008.

NBC

The worst of the cuts in 2008, at least according to the directory analysis, fell at NBC. The top-rated news network reduced its news personnel by 7% by this accounting.

The number of on-air staff listed at NBC fell 15%, while the number of producers listed grew by 10%.

The network added seven producers to its Washington bureau in 2008 but eliminated seven positions in Burbank, Calif., Atlanta and Chicago. NBC News also was the only network to close a domestic bureau during the year, closing its office in New Orleans. That left it with five.
The second-biggest loss of positions occurred at ABC.

The number of newsroom personnel shrank by 2%. Like NBC, the network cut the most from its domestic bureaus, paring staffing 12%, although it still had more staff listed in domestic bureaus than any other network. Its nine domestic bureaus was also the largest number of the three networks.

The directories listed two fewer on-air positions, and one added producer.

ABC also added more staff to its website of any network. It added three people to its ABCNews.com staff of eight.

CBS

While its rivals cut, CBS News increased its news staff by three people in 2008, according to the directory analysis. The news division added 15 producers, an increase of 20%, but trimmed other off-air staff, including editors, researchers and off-air reporters, by 17%.

The network also cut 6% of staffing in its eight domestic bureaus during the year.

Correspondent Counts

Another way of measuring network news investment is by tracking the number of people who appear on air during the year at least five times. This accounting, long used by researchers, may be a rough proxy of newsgathering muscle, but it has two virtues. First the numbers go back many years. Second, they are not subject to the vagaries of self-reporting, the way the Yellow Book directory estimates are.

After years of decline, the correspondent counts had leveled off and even grown slightly in recent years. In 2008, the numbers were flat.

A total of 155 people filed at least five story packages for the evening newscasts in 2008. That was unchanged from 2007, according to a newscast-by-newscast analysis conducted by ADT Research.
NBC had the most people on air, 60. ABC was second, with 50, and CBS, third at 45.

The networks reached their peak in 1985, according to these data, when they averaged 77 correspondents appearing per network.

The numbers also give a sense of the workload employees in network TV are carrying, although it does not indicate whether these people are also having to file for other shows, such as morning or magazines shows, or, in the case of NBC, cable. In general, reporters filing more stories is a sign of being stretched thinner and having less time to work on enterprise pieces.

In recent years, that workload had been relatively flat, though it lessened between 2005 and 2007, a positive sign. In 2008, it was flat again. If predictions hold true, it may rise in 2009.

Average Network Newsroom Size and Reporter Workload

Design Your Own Chart

Source: ADT Research. This chart gives the number of reporters or correspondents who filed five or more stories in 2008, and the average number of stories filed by them.
And what happened to foreign news resources in 2008? After the Cold War, the numbers of bureaus and staffers the three networks had in foreign countries began to shrink. By the early part of this decade, the number of overseas bureaus was roughly half what they had once been, and staffing had been reduced even more.

That began to change in the last two years. The networks were able to rebuild some of their potential international coverage by turning to one-person outposts, small bureaus where a producer could also function as a single staffer who served as a reporter, producer and videographer. That allowed the networks to claim bureaus in the mid-teens, closer to the level they had at their peak. Whether these are really “bureaus” or are more accurately “offices” is a matter of some semantic debate among network professionals.

Whatever their name, across the three networks the number of foreign outposts remained steady in 2008, with one closing and one opening.
As of January 2009, ABC told PEJ it had 17 overseas bureaus, including a new one opened in Havana in 2008. The others were in London, Jerusalem, Baghdad, Rome, Moscow, Beijing, Hong Kong, Tokyo, Seoul, Jakarta, New Delhi, Mumbai, Dubai and Nairobi, Rio de Janeiro and Mexico City.

NBC, as of January 2009, told PEJ it maintains 12 bureaus in the following places: Havana, Bangkok, Amman, Baghdad, Beijing, Cairo, Frankfurt, Hong Kong, London, Moscow, Tel Aviv and Tokyo. It cut one in Mexico City, relying instead on sister network Telemundo for coverage of events in the region.

In early 2008, the most recent figures available, CBS told PEJ it operated 14 bureaus: Amman, Baghdad, Beijing, Bonn, Havana, Islamabad, Johannesburg, Kabul, London, Moscow, Paris, Seoul, Tel Aviv and Tokyo. CBS did not provide PEJ with more current data on bureaus or overseas staffing.
The Efficacy of One-Person Bureaus

The move toward one-person bureaus has not come without controversy. Advocates say portable digital technology allows the networks to cover the world in ways that were unthinkable a generation ago and make the concept of a bureau with a resident on-air “correspondent” less important.

“In the current logistical world of efficient jet travel and portable, digital video equipment, the historic necessity of establishing bureaus – so that immobile resources were prepositioned in a given country in advance of breaking news – is largely moot,” ADT Research’s Andrew Tyndall told PEJ. Instead, he argues reporters can be flown into areas when a story emerges.

For example, in December 2008 when Israel-Palestinian conflicts flared in Gaza, CBS News’ lead correspondent was London-based Mark Phillips rather than a reporter from its rarely seen Tel Aviv bureau. Weeks earlier, CBS News had eliminated about a dozen staff in the Tel Aviv bureau, including an editor, the head of finance, two cameramen, a sound person, a Palestinian producer, a Palestinian fixer and a number of office administrators. Four staffers remained when
Paul Friedman, senior vice president for CBS News, told the New York Observer that the costs of local correspondents sometimes outweigh the benefits and that stringers can often provide superior coverage. “Does it have to be a highly paid correspondent who will get on the air once a year?” he asked. “Or can it be a local journalist who provides you with the same kind of understanding and, in many cases, better sources because they’re local?”

Some critics worry that replacing a correspondent with a stringer, or a one-person bureau staffer who must do many jobs – or flying in personnel from elsewhere when news breaks – represents diminished coverage, and diminished understanding.

Correspondents have more influence than a less senior staff producer in one-person outposts, let alone a stringer. That translates into lobbying for stories, getting more stories on the air and also traveling to other places more often to do additional stories.

Charles Eisendrath, director of the Knight-Wallace Journalism Fellows at the University of Michigan and a former foreign correspondent for Time magazine, takes issue especially with the idea that flying in correspondents can substitute for someone who lives and works in the region year-round.

The idea that a news organization can cover a region without having staff on the ground “essentially amounts to an argument that you don’t need expertise to cover a story,” Eisendrath told PEJ. “What do you get if you don’t have expertise? You get the superficial, happenstance and the best you can do under bad circumstances. If that’s all you can afford, then it’s better than nothing. But it is certainly not better than expertise.”

“It’s quite tragic,” said Jennifer Lawson, an independent producer and former executive vice president at PBS. “We as a nation were so surprised by what happened with 9/11. Had we known more about how others view us and our policies, I don’t think we would have been so surprised. … The news is always crisis-oriented, and then it drops off the radar screen.”

To a significant degree, however, the debate is an academic one. Given audience and revenue trends, the prospect of more multi-person offices is realistically out of the question. A strong case could be made, some say, for one-person offices staffed with correspondents in more locations—in other words more senior staff in these one-person outposts. But that does not answer the question fully. The real issue now may be how often foreign stories get on the air. That is a judgment call that must be made at the network management level, and it will depend on the quality of the stringers or one-person bureau staffers employed, and the commitment to the subject intellectually, rather than in dollars.

The evidence here suggests that in 2008, an election year, coverage of foreign affairs on the networks dropped significantly, much of that as coverage of Iraq fell off.

As noted in the section on content above, coverage of U.S. foreign affairs — international stories that involved U.S. interests directly—made up 11% of the coverage in 2008, down from 24%, according to PEJ’s analysis of both evening and morning news.
Much of the decline in 2008 came from diminished coverage from the war in Iraq. The war made up 3% of the coverage aired on the network nightly news over the year, down from 17% in 2007—a drop of 82%. 17

Foreign news coverage has ebbed and flowed over the last two decades in relation to international events, according to the ADT studies. It fell sharply after the Cold War came to a close in the late 1980s and 1990s. It rebounded after the terrorist attacks of September 11, 2001, and through 2003, the first year of the Iraq war, but slowly tapered off after that, according to ADT Research.

By 2008, the amount of time devoted to foreign news coverage across all three networks was 49% lower than what it was in 2003, when the Iraq war began, and 65% lower than 1989, the year the Berlin Wall crumbled, according to ADT Research. Some reduction could be expected given the intensity of interest—and the implications for foreign policy—of the 2008 presidential election.

Time Devoted to Iraq War, 2008
2003 – 2008, in minutes

Design Your Own Chart
Source: ADT Research
News Hole

In one area, the investment in news appears to be growing slightly.

The amount of time devoted to news within the 30-minute nightly newscasts – that is, time not consumed by ads, promos and teasers – has actually risen in recent years, to an average of 19.1 minutes in 2008.

This remains below what the figures were two decades ago, when the networks averaged 21 minutes a newscast. But the data show a gradual increase from a low point of 18.8 minutes in 2003. There are several explanations for this. One is that the newscasts had become so filled with commercials that it was turning viewers—and advertisers—off. Another, which may have been in part a response to this, is that the networks have experimented with selling sponsorships of the entire newscast, in some cases for multiple days at a time, to a single advertiser, including an acknowledgement from the anchor – in exchange for fewer other commercials.
NBC was the leader among the networks, with 19.6 minutes in 2008. CBS had 19 and ABC, 18.8.

Footnotes

8. The News Media database contains contact information for journalists at more than 2,000 news services, networks, newspapers, and television and radio stations. Information is reported by the networks themselves.

9. NBC lists the fewest people of the three networks in the yellow books, 138 in 2008, down from 148 a year earlier. By almost all accounts from those inside network television, however, NBC News probably has the largest staff. One reason for the smaller count may be that its staff is listed across three organizations. MSNBC.com, which produces the network news division’s website and has a large staff in Redmond, Wash., and a smaller one in New York, is not listed. The cable channel MSNBC is listed separately and includes 36 people, though that is a fraction of the total the network says it employs. Some of the people listed appear to do work on segments for NBC News.

10. This put the ABC news staff listed in the directory for 2008 at 215 from 220 the year before

11. CBS listed 220 in the directory in 2008, up from 217 in 2007

12. In the 1970s and 1980s, the term “bureau” referred to a newsgathering operation based in a locale that included an office, photographers, producers, correspondents and other support staff. Networks sometimes still refer to one-person operations as “bureaus,” but the resources devoted to coverage are significantly diminished.


15. PEJ Interview with Charles Eisendrath, January 12, 2009


17. Similar results were found by ADT Research’s monitoring of the nightly newscasts. Using slightly different methodology, the firm said the three network evening newscasts devoted 434 minutes to Iraq in 2008, compared with 1,888 minutes in 2007, a drop of 77%. International stories in 2008 that did not directly involve the United States were basically flat, filling 8% of the coverage on the morning and evening news programs, according to PEJ’s News Coverage Index. That was down from 9% the year before.

Ownership

Ownership

By the Project for Excellence in Journalism

The Big Three of television news broadcasting looked overseas, to cyberspace and to new partners for growth in 2008 in the face of continuing declines in their traditional advertising-based businesses.

CBS

CBS Corp. took a significant step in its online media business with its purchase in June of CNet, the most-visited website for coverage of consumer electronics. It placed the acquisition at the center of a reorganized CBS Interactive
division. CBS combined all of its existing interactive businesses, which had been part of its television unit, with all of the newly acquired CNet websites. It also created a new management structure for an expanded CBS Interactive business unit that is separate from CBS’ television properties.

The unit, CBS said, would focus on five areas: technology, entertainment, sports, news and business. Its holdings included 25 websites, including the comparison-shopping site MySimon.com, the TV fan site TV.com and CNet’s search engine, search.com (See the market share of the three top search engines in the Online Ownership Section).

The combined assets of CBS Interactive made CBS the eighth-largest Web property worldwide in terms of monthly unique users, according to comScore. The deal gives the New York-based CBS more online properties to deliver its content to a wider audience, something the company hopes will be more attractive to advertisers. CBS Interactive’s executive vice president and chief marketing officer, David Keane, said, “Advertisers are looking for greater scale, and, with our native properties, we weren’t always able to deliver that.”

The purchase and realignment also represents something of a new turn in the history of CBS’ efforts online. In March 2005, CBS had made a splash by hiring Larry Kramer, creator of CBS Marketwatch, to take over digital operations. In November 2006, CBS refocused its efforts on digital acquisitions rather than on building its own assets. Kramer stepped down to make room for investment banker Quincy Smith, who filled a newly-created role with both operating responsibility and the authority to broker mergers and acquisitions.

Kramer, who went on to serve as a senior adviser at Polaris Venture Partners, a national venture capital firm, praised the move and Smith’s new role: “He’s the right guy to do it,” Kramer said. “The company...[CBS] really had to start visiting the M&A strategy and partnership strategy because it was clear to get the kind of growth for a company of our size, you have to go further than organic growth.”

With its newest focus on online properties, CBS also moved away from some of its traditional media activities. It sold its share of the Sundance Channel, which it had operated with NBC Universal and Robert Redford, the actor, director and producer. Rainbow Media, the cable programming subsidiary of Cablevision, bought the company for $496 million.

The current incarnation of CBS Corp. was formed in 2005, when then-corporate parent Viacom split into two separate companies. One is now known as Viacom and the other as CBS Corp. Control of both firms is held by billionaire Sumner Redstone. After the split, Viacom was left with a number of cable properties, most notably MTV and Comedy Central. CBS Corp. consisted of a number of radio and television holdings, including the namesake broadcast network (see the 2005 Network Ownership Section).

<table>
<thead>
<tr>
<th>CBS Corp. Revenues, 2007 vs. 2008</th>
<th>In Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
</tr>
<tr>
<td>Television</td>
<td>9,108.0</td>
</tr>
<tr>
<td>Radio</td>
<td>1,753.7</td>
</tr>
<tr>
<td>Outdoor</td>
<td>2,187.3</td>
</tr>
<tr>
<td>Interactive</td>
<td>886.1</td>
</tr>
<tr>
<td>Publishing</td>
<td>166.1</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(28.3)</td>
</tr>
<tr>
<td>Total</td>
<td>14,072.9</td>
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### CBS Corp. Profits, 2007 vs. 2008

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television</td>
<td>1,760.7</td>
<td>1,512.5</td>
<td>-14%</td>
</tr>
<tr>
<td>Radio</td>
<td>657.8</td>
<td>466.8</td>
<td>-29%</td>
</tr>
<tr>
<td>Outdoor</td>
<td>404.9</td>
<td>223.5</td>
<td>-45%</td>
</tr>
<tr>
<td>Interactive</td>
<td>(21.7)</td>
<td>(9.3)</td>
<td>57%</td>
</tr>
<tr>
<td>Publishing</td>
<td>88.1</td>
<td>78.7</td>
<td>-11%</td>
</tr>
<tr>
<td>Corporate</td>
<td>(171.5)</td>
<td>(170.3)</td>
<td>-1%</td>
</tr>
<tr>
<td>Residual Costs</td>
<td>(96.5)</td>
<td>(79.2)</td>
<td>18%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>2,621.8</td>
<td>2,022.7</td>
<td>23%</td>
</tr>
<tr>
<td>Before Impairment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges</td>
<td></td>
<td>(14,181.4)</td>
<td></td>
</tr>
<tr>
<td>Adjusted Operating</td>
<td>2,728.4</td>
<td>2,277.0</td>
<td>-17%</td>
</tr>
</tbody>
</table>


CBS, with 23,970 employees worldwide, consists of four segments: television, radio, outdoor and publishing. The television segment includes network television (CBS and The CW, a joint venture between CBS Corporation and Time Warner's Warner Bros. Entertainment), cable television (Showtime Networks and CBS College Sports Network), local television stations, television production and syndication (CBS Paramount Network Television and CBS Television Distribution).

Through the first nine months of 2008, the company reported $10.4 billion in revenue, up 1% from $10.3 billion in the same period a year before. The company credited higher syndication revenues, chiefly from CSI: New York, higher affiliate revenues, growth in its billboard business, and the acquisition of CNet. Offsetting the gains were lower ad sales.

Profits, however, plunged by 750% due to a $14 billion write-down of the value of its media assets. That charge, made
in the third quarter, resulted in a loss for the first nine months of the year of $11.8 billion compared with a profit of $957.7 million in the same period a year earlier.

"While the advertising market is difficult, we’re capitalizing on our other growth opportunities," Chief Executive Leslie Moonves said on a conference call with analysts. 10

The company still derives the largest share of its revenue from television. In the first nine months of 2008, it reported $6.8 billion in revenue from television, or 65% of its total revenues. The company’s second-biggest source of revenue was from its outdoor advertising division (16%). Radio was No. 3 (11%).

Beginning in the third quarter of 2008, the company started reporting financial results for the separate interactive segment. Despite its potential, the division was responsible for only 2.2% or revenues, or $230 million. 11

The company also announced job cuts at the end of the year, though they appeared more modest than its rival networks and concentrated mostly in entertainment programming.

**General Electric (NBC Universal)**

General Electric stock lost more than half its value during 2008, performing worse than the market as a whole.

This fueled speculation that GE would spin off its NBC Universal subsidiary. Analysts speculated that NBC’s assets – including cable networks, broadcast network and television stations, movie production and theme parks – might be sold to specialized buyers.

The company’s chairman, Jeffrey Immelt, explicitly rejected that idea in July and by the end of the year there were no signs he was planning such a move.

On Sept. 25, GE cut its earnings forecast for the year, blaming volatile financial markets for damaging the profitability of its loan and lease business that accounts for almost half its income. It also suspended a stock buyback but said it would continue its dividend rate.

“Given the recent dramatic developments in the financial markets, we have made some tough decisions to further reduce risk and strengthen our balance sheet while maintaining our dividend,” Immelt said in a statement. 12

When its third-quarter earnings were released, they showed a drop of 22% compared with the same quarter a year earlier. Much of the troubles were blamed in the credit market squeeze and its impact on GE’s credit division, GE Capital.

In October, the company announced a deal with Warren Buffett’s Berkshire Hathaway. The Omaha investment guru bought $3 billion of preferred stock in the company.

There were still no hints of a sale of NBC Universal, whose profits rose 10 percent to $645 million on revenue of nearly $5.1 billion in the third quarter. Among the strong performers was the CNBC business cable news network and MSNBC, which set audience records. 13
The unit did, however, announce steep job cuts, including some at the networks, designed to reduce expenses in the face of a faltering economy.

In December, NBC Universal said it was shedding 500 employees, or 3%, of its workforce of more than 16,000 as part of a previously announced plan to cut $500 million in expenses.

“This kind of message is never easy, but it is the right step to make, and the right time to make it,” NBC Universal President-CEO Jeff Zucker said in an internal e-mail at that time. “We have no choice but to respond quickly to the external economic forces that are affecting the entire world economy.”

NBC also made a series of smaller moves during the year. Among these were several that signaled interest in expanding its overseas presence. NBC’s strategy is to look overseas to develop television and film concepts, produce programming and enlarge license rights. It moved to sell of some of its local television stations.

NBC Universal purchased production companies in Britain, India and Mexico. In Britain, NBC Universal signed an agreement to acquire Carnival Film & Television, an independent production agency. Carnival will be merged with a new NBC division dedicated to international television production.

NBC also reached an agreement with the Mexican television company Grupo Televisa to distribute programming from NBC’s Spanish-language broadcast network, Telemundo. Starting in April, Grupo Televisa’s channel began carrying more than 1,000 hours of Telemundo programming per year (see the Hispanic Media Chapter).

In addition, NBC bought a 26% share of NDTV Networks in India.

Back in the United States, NBC joined with two private equity partners to acquire The Weather Channel. The acquisition also included Weather.com, which attracts nearly 40 million unique users per month, and Weather Services International, a forecasting service with more than 5,500 clients.

NBC’s partners in the $3.5 billion deal were Bain Capital and the Blackstone Group. Each partner owns roughly a third of the venture.

NBC also sought to limit the number of local television stations it owns to only those in the top 10 markets. Accordingly, it put up for sale in May stations in Miami and Hartford, Conn.

As of the end of the year, it had announced the sale of the Miami station, WTVJ, to a Washington Post Company unit, Post-Newsweek Stations, for $350 million, but that deal collapsed in December. No sale of the other station, WVIT in Hartford, had been reported.

GE Holdings

Over all, General Electric Company, with a total of 319,000 employees worldwide, is the one of the world’s largest corporations. Its products include some of the world’s best-known household appliances, aircraft engines and a wide range of other products. It ranked sixth among the Fortune 500 in 2008.
GE Revenues, 2007 vs. 2008

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy infrastructure</td>
<td>30,698</td>
<td>38,571</td>
<td>26%</td>
</tr>
<tr>
<td>Technology infrastructure</td>
<td>42,801</td>
<td>46,316</td>
<td>8%</td>
</tr>
<tr>
<td>Capital finance</td>
<td>66,301</td>
<td>67,008</td>
<td>1%</td>
</tr>
<tr>
<td>NBC Universal</td>
<td>15,416</td>
<td>16,969</td>
<td>10%</td>
</tr>
<tr>
<td>Consumer &amp; Industrial</td>
<td>12,663</td>
<td>11,737</td>
<td>-7%</td>
</tr>
<tr>
<td>Consolidated revenues</td>
<td>172,488</td>
<td>182,515</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: SEC Filings, February 18, 2009

GE Segment Profits, 2007 vs. 2008

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy infrastructure</td>
<td>4,817</td>
<td>6,080</td>
<td>26%</td>
</tr>
<tr>
<td>Technology infrastructure</td>
<td>7,883</td>
<td>8,152</td>
<td>3%</td>
</tr>
<tr>
<td>Capital finance</td>
<td>12,243</td>
<td>8,632</td>
<td>-29%</td>
</tr>
<tr>
<td>NBC Universal</td>
<td>3,107</td>
<td>3,131</td>
<td>1%</td>
</tr>
<tr>
<td>Consumer &amp; Industrial</td>
<td>1,034</td>
<td>365</td>
<td>-65%</td>
</tr>
<tr>
<td>Consolidated net earnings</td>
<td>22,208</td>
<td>17,410</td>
<td>-22%</td>
</tr>
</tbody>
</table>

Source: SEC Filings, February 18, 2009

GE can be broken down into five segments: energy infrastructure, technology infrastructure, capital finance, consumer and industrial products, and NBC Universal.

NBC Universal reported revenues of $17 billion in 2008, a 10% increase from $15 billion in 2007, reflecting higher revenues in cable and film, partly offset by lower revenues in broadcast television. The segment’s profit of $3.1 billion was 1% higher than a year before, as higher earnings from cable were partially offset by lower earnings from local stations. 23

In addition to the NBC network, NBC Universal includes Telemundo and the MSNBC, CNBC, Bravo, USA and the Sci-Fi cable television channels. The segment also includes a movie and television studio, relations with 230 local affiliates,
theme parks and a number of online digital properties. GE owns 80% of NBC Universal, and the 20% balance is held by Vivendi, the French media conglomerate. NBC, unlike its broadcast rivals, operates two cable news channels (MSNBC and CNBC) and shares people and costs across the platforms. NBC also shares ownership with Microsoft for one of the most-visited news websites, MSNBC.com, which is largely produced at the Microsoft corporate campus in Washington State.

**Olympics Coverage**

The 2008 Summer Olympics were not the profit bonanza NBC had hoped for, but the network hopes it has laid the groundwork for future ratings boosts.

“The Olympics were profitable, not wildly profitable, but we made money on the Olympics,” Jeff Zucker told the British Royal Television Society in London on September 27. NBC plans to build on the results, and in that vein, Zucker asserted, “Eventually it will be very significant to our bottom line.”

The company paid $1.5 billion for the U.S. broadcasting rights to the 2006 and 2008 games. In 2003 it outbid rivals ABC and Fox for the rights to the 2010 and 2012 games. The $2 billion bid included $200 million from GE to be a worldwide sponsor of the games.

When it bid on the 2006 winter and 2008 summer games, the Olympics were the core of an unusual strategy by NBC to bypass the NFL and Major League baseball broadcasts that other networks were bidding higher and higher to win. However, in 2005, NBC abandoned that strategy with a $600 million-a-year deal to broadcast the NFL’s Sunday Night Football though 2012. The deal includes the rights to the 2009 and 2012 Super Bowls.

The network remains committed to the Olympics with a strategy that calls for packaging ad buys on its television and Internet platforms. The network created a proprietary audience-measuring system called Total Audience Measurement Index, or TAMI, that combines both online, mobile and on-air viewership.

The system was launched during the games and the network asserted that it was a success with advertisers. It said its research showed that 90% of Olympic consumption was still on television but that the Internet and other platforms grew strongly and drove people to television.

“The results have been phenomenal,” said Gary Zenkel, president of NBC Olympics. “We’re fairly certain that multiplatform distribution is fueling that interest [in network prime time] and driving everyone to share the Olympics together as they have since the beginning. They’re gathering in greater numbers than ever.”

NBC planned to calculate and distribute TAMI numbers for its entertainment, news and sports programming as a way of calculating – and gaining value from – changes in how people consume television (see discussion in Network Digital Trends).

For example, NBC said the 2008 season premiere of The Office had 15.5 million impressions on television, 6.9 million streams online, 37,515 downloads of the podcast, 33,389 video-on-demand plays and 37,775 views on mobile, for total impressions of 22.5 million.
NBC says its research shows that viewers recall advertisements more clearly when they are run on both television and the Internet. If validated and replicated, the findings could change the way commercial time is bought. 28

Disney (ABC)

Profits at the Walt Disney Company increased by about 8% in fiscal 2008, to $8.5 billion. Gains were shown in all its divisions except studio entertainment.

The company, with more than 137,000 employees according to its most recent report, is divided into four segments: media networks, parks and resorts, studio entertainment and consumer products.

*Media Networks*

At roughly $16 billion (or 43% of total revenue), this segment was Disney’s most lucrative in 2008. It includes the ABC Television Network, 10 local television stations, and 46 radio stations.

Disney also owns a number of cable and satellite properties, including the various ESPN channels (in which the Hearst Corporation holds a 20 percent interest), the Disney Channel, the ABC Family Channel, Toon Disney, and SOAPnet. It is also in a joint operation to produce programming for the Lifetime and A&E channels.

### Disney Revenues, FY 2007 vs. FY 2008

<table>
<thead>
<tr>
<th>Segment</th>
<th>2007</th>
<th>2008</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media Networks</td>
<td>15,104</td>
<td>16,116</td>
<td>7%</td>
</tr>
<tr>
<td>Parks and Resorts</td>
<td>10,626</td>
<td>11,504</td>
<td>8%</td>
</tr>
<tr>
<td>Studio Entertainment</td>
<td>7,491</td>
<td>7,348</td>
<td>-2%</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>2,289</td>
<td>2,875</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>35,510</td>
<td>37,843</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: SEC Filings, November 4, 2008

### Disney Profits, FY 2008 vs. FY 2007

<table>
<thead>
<tr>
<th>Segment</th>
<th>2007</th>
<th>2008</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media Networks</td>
<td>4,275</td>
<td>4,755</td>
<td>11%</td>
</tr>
<tr>
<td>Parks and Resorts</td>
<td>1,710</td>
<td>1,897</td>
<td>11%</td>
</tr>
<tr>
<td>Studio Entertainment</td>
<td>1,195</td>
<td>1,086</td>
<td>-9%</td>
</tr>
<tr>
<td>Consumer Products</td>
<td>631</td>
<td>718</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td>7,811</td>
<td>8,456</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: SEC Filings, November 4, 2008
As with NBC, Disney in 2008 looked to expand overseas. The company sought a joint venture with Russian broadcaster Media-One Holdings to launch a broadcast channel in Russia in 2009, but a Russian regulatory agency blocked the deal. 29 The programming would have been broadcast on the 30 stations throughout Russia owned by Media-One, and would have featured family-oriented programming – both Disney-branded and original Russian programming. Disney would have had a 49 percent stake in the venture in exchange for a cash investment and content acquisition. 30

As for its core domestic television business, looking ahead, analysts predicted that profits would fall at ABC because of lower ad revenue and higher programming costs. About 60% of Disney's revenues are vulnerable to economic swings because they are tied to advertising and consumer products. 31

The company, in its end-of-year filing with federal regulators, said it was already feeling the effects of the recession and warned that the impact was likely to grow: “A sustained decline in economic conditions could reduce attendance and spending at one or more of our parks and resorts, purchase of or prices for advertising on our broadcast or cable networks or owned stations, prices that cable service providers will pay for our cable programming, performance of our theatrical and home entertainment releases, and purchases of company-branded consumer products. These conditions could also impair the ability of those with whom we do business to satisfy their obligations to us.”

**Footnotes**

9. CBS Corp. SEC Filing, November 4, 2008
11. CBS Corp. SEC Filing, November 4, 2008
25. John Consoli, “NBC, ESPN Snap Up NFL Packages,” AdWeek, April 19 2005
Digital Trends

All three networks waded more deeply into the online world in 2008, although once again much of that was through partnership and acquisition rather than from building new original content.

NBC used its costly broadcast rights to the Olympics to showcase what it hopes will become a multimedia model of the future with a video-rich website devoted to coverage of the Beijing Games. CBS acquired the technology news website CNet and folded its digital operations into its CBS Interactive division. And ABC sought to extend its appeal to younger viewers by creating five digital bureaus at top journalism schools staffed with student journalists who will report for both digital and broadcast platforms.

All three networks sought to use the driving news story of 2008, the presidential election, to capture audiences online. They produced online-only newscasts of the conventions and election night, ramped up video content on their sites and continued alliances with other media companies that could help attract the ever-elusive younger viewers.

NBC News

NBC News made three key investments in 2008: a redesigned video-centered website for the Nightly News, an exhaustive 2008 Summer Olympics website and a number of election-related additions to the popular MSNBC.com website.

In January 2008, NBC News launched Nightly.MSNBC.com, a “microsite” within MSNBC.com that is devoted solely to the NBC Nightly News With Brian Williams. The new site puts a singular focus on video and consciously avoids the text that dominated its former version and that still exists on most news websites.
The site allows web users to see all the individual story packages and interviews broadcast on the Nightly News. It also, however, provides longer Web-only video that could not be aired given time restrictions on the television broadcast. “The goal a richer, deeper visual experience that is more akin to broadcast,” said Mark Lukasiewicz, vice president for digital news at NBC. “I think that’s a better way to present the evening news online, and it’s an approach our competitors haven’t taken.”

The biggest online investment of the year came in the network’s coverage of the 2008 Summer Olympics. As sole U.S. carrier of the games, NBC worked to take full advantage of the capabilities of the Internet. This included the creation of the microsite, www.2008.NBCOlympics.com, which provided over 2,000 hours of streaming video of highlights, replays and even live events.
Viewers could, as an example, visit the cycling area of the site to grab the latest news updates and watch video of full-length events, replays and highlights. The idea was to give viewers more to watch than the handful of most popular events aired on the nightly broadcasts.

The Internet is “allowing people to create their own broader Olympics experience,” said Jon Gibs, the vice president for media analytics at Nielsen Online. 2

Viewers embraced the medium. At an average of 4.3 million unique visitors a day, NBC pulled in more than double the traffic of the 2006 Winter Olympics and 2004 Summer Olympics combined.

NBC also used the website to field-test a comprehensive way of tracking viewership across television, online and mobile platforms. Networks have long had to piece together television audience numbers and online and mobile consumption. To tackle this problem, NBC used the Olympics website to test its total audience measurement index, or TAMI, which summarizes users’ viewership across television channels, websites, mobile programming and video-on-demand (see discussion in Network News Digital Trends).

With or without the Olympics, NBC’s main news website, MSNBC.com, fared well in 2008, overtaking Yahoo News as the most-visited news website, according to Nielsen Online. In 2008 the site averaged 38.9 million unique visitors per month. That was about three times as many visitors drawn by each of its rival network websites. The site has the advantage of drawing traffic from the MSN portal, the home page for millions of Internet users. MSNBC.com is a joint venture of Microsoft, which owns the MSN portal, and NBC.
MSNBC.com also ramped up for the 2008. It retained partnerships with two print news organizations – the New York Times and National Journal, a weekly magazine for Washington insiders – to boost its coverage. MSNBC.com added NBC News political director and chief White House correspondent Chuck Todd to its First Read blog.  

MSNBC.com is the umbrella site for the NBC News family, which includes the Today Show, NBC Nightly News With Brian Williams, Dateline, Meet the Press and MSNBC’s cable news programming. The site’s headquarters are in Redmond, Wash., and news is produced there, as well as in New York, and Washington. As of early December 2008, it employed more than 200 staffers, according to its website.

**CBS News**

CBS turned to social-networking technology and blogs to try to boost viewership of its chief news website in 2008 and made a major acquisition that it hopes will give it a greater foothold in the online market.

CBSNews.com is the website for the network’s six television news programs: CBS Evening News With Katie Couric, 60
Minutes, Face the Nation, CBS Sunday Morning, the Early Show and 48 Hours. It also produces original content not aired on television.

In 2008, the site averaged 10.1 million unique visitors monthly, making it the 13th-most-visited news site that year. That places CBS News third, or last, among network news websites.

In 2008, CBS News, like MSNBC.com and ABCNews.com, formed a Web partnership to enhance its political coverage, though in a way different than the other networks. CBS teamed up with Digg, a popular site on which members post and rank news stories and other items. CBSNews.com users were able to share political content with registered Digg users, as well as to see Digg’s election-news headlines.

In addition the main CBS News content, the website hosts a number of blogs. As of January 2009, the website featured a front page menu item for its seven blogs, including three on politics and world events that are updated regularly. A technology blog is also regularly updated, but three of them – one on investigative reports, another featuring political cartoons and one on travel – are refreshed only intermittently.

The News Media Yellow Book, published by Leadership Directories, included staff listings for four of CBS News’ blogs: Couric & Co., Primary Source, Public Eye and Tech Talk. According to the Leadership Directories’ online database, as of December 2008 there were 22 editors and contributors to these four blogs.

These staff listings, however, are self-reported and may not list of all staff members who contribute to or edit CBS News’ blogs.

One of CBS’s biggest online investments in 2008 was not tied to news. It bought CNet.com, the most-visited website for coverage of consumer electronics, for $1.8 billion. It placed the acquisition at the center of a reorganized CBS Interactive division. CBS combined all of its existing digital outlets, which had been part of its television segment, with the newly acquired CNet websites.4

“We view this as a major step, largely because of the advertising opportunities,” CBS Interactive CEO Quincy Smith said. Neil Ashe, CEO of CNet, called the deal a “perfect marriage of premium online content with premium on-air content.” 5

The addition of CNet fits in with the CBS goal of capturing larger audiences for its broadcast material and digital content by tailoring it for the Web. As of January 2009, CBS websites now include sites devoted to news, technology, business, entertainment and sports.

As part of its purchase of CNet, CBS acquired the rights to domain name TV.com, which it redesigned as a video destination for its current and archived programming. This will put it into greater competition with Hulo and other sites, but CBS has said it hoped to add a layer of interactivity – encouraging user interaction – to attract traffic.

“In the past, it’s been a place to get information,” said Anthony Soohoo, who oversees entertainment and lifestyle categories for CBS Interactive. “If we add more video content to the site, we believe it can drive more community.”

The new interactive division also distributes entertainment and news content to more than 300 partner websites that make up the “CBS audience network” but are not owned by the company. The websites carry the content, and CBS
sells ads and shares revenue with the partner. As of January 2009 the audience network included Microsoft, AOL, and Joost as well as social networking sites like Bebo.

In June, Yahoo joined the network. Yahoo, like other CBS partners, got access to CBS’s extensive online catalog of entertainment content, which boasts more full episodes and hours of network programming than any other broadcast television network. The CBS content will be added to Yahoo’s programming lineup, which also includes programming from NBC, Fox and more than 15 cable networks. CBS also continued to produce short-form video clips.

CBS’ EyeLab division, set up in 2007, produces 20 to 50 clips each week – mostly teasers for CBS programs — and distributes them to CBS audience network members. The idea is to use short, punchy and often comical clips to capture the attention of potential viewers who would otherwise avoid network programming.

“Recognizing that short-form content is what our viewers want online, we’re committed to bringing CBS fans short, easy-to-digest clips — which they can take and mash up, rework, re-edit and, no doubt, inspire us with their creativity,” said Anthony Zuiker, the executive producer and creator of the top-rated crime show CSI. “Using the Web as a direct engagement platform with those who care the most about the show is a perfect way to bring the TV experience online and in turn, to learn from fans.”

ABC News

ABC News launched three digital initiatives in 2008 aimed at making its news reporting more efficient while creating more Web-friendly content to monetize. The network partnered with journalism schools to enlist graduate students as student reporters for the network, expanded its Web-only news programs and began to digitize its archive of television news content, a move that would make it easier for reporters to access historical footage.

ABC News set up digital bureaus at five universities around the country – the University of Texas at Austin, Arizona State University, Syracuse University, the University of Florida and the University of North Carolina at Chapel Hill.

Student journalists for the bureaus were to be selected by professors and the network and then paid to produce regional feature and breaking news stories for various ABC News broadcasts and websites.

ABC News President David Westin said in a statement, “These college bureaus will extend the newsgathering reach of ABC News throughout the country. In addition, they will enable us to nurture bright young journalism students, giving them hands-on training from some of the most seasoned news professionals in the business and the opportunity to see their work appear on ABC News platforms.”

ABC also began to digitize its archive of television news content, a massive undertaking that will serve as a resource for ABC journalists as well as a potential revenue source. Digitizing the archive could also make it easier for ABC News to license content to other outlets and earn money from those willing to pay for some of its past coverage. The whole licensing process could be streamlined and automated on the Internet. “In theory,” Westin said, “you should be able to have the digital archive up on the website.”

ABC News also made greater use of its online-only broadcast, ABC News Now, particularly for extensive political
coverage of the presidential campaign. During the conventions, ABC News Now offered live gavel-to-gavel coverage of the proceedings starting at 5 p.m. daily. Sam Donaldson and Rick Klein, author of The Note, a daily ABC News blog, hosted the coverage. On Election Day, News Now partnered with Yahoo to stream its video footage on Yahoo's websites.

The election was also a major emphasis of the network’s user-generated video section, i-Caught.

ABCNews.com averaged 13.1 million unique visitors per month for the year in the United States, making it the eighth-most popular news website, according to data compiled by Nielsen Online. ABCNews.com serves as the main page for its morning, evening and prime-time news programming, including Good Morning America, World News, 20/20, Nightline and This Week.

The ABC News website hosts 22 blogs, but only 3 are updated regularly by staffers.

Footnotes

1. PEJ Interview with Mark Lukasiewicz, December 1, 2008


News Magazines

By the Project for Excellence in Journalism

Once considered the economic engine of network news divisions and an almost ubiquitous feature of prime time, network news magazines in 2008 saw their audiences continue to shrink, along with their share of the prime-time lineup.

The programs, including NBC's Dateline, CBS' 48 Hours Mystery, and ABC's 20/20 and Nightline, drew fewer viewers even as several sought to widen their audience with emphases on human interest and true crime stories. Part of the decline was caused by scheduling. CBS moved 48 Hours to Saturday night, one of the least-viewed nights on television. And Dateline never landed in a consistent time or day of the week, which denied it time to build a loyal audience.

Only 60 Minutes, which emphasized traditional “hard” news and features and enjoys an enviable time slot that often follows the network's NFL broadcasts, thrived in 2008. Its weekly viewership was almost twice that of its next biggest rival, and it returned occasionally to the list of top 10 shows on television in viewership. Taken together, the average monthly audience for the five remaining news magazines fell 7% in 2008, from 29 million to 27 million.

This is a big change from a decade ago, when the shows held a prominent position in network television. In the early part of the decade, network news divisions began to scale back production of these shows in the face of falling ratings. They also began to experiment with new formats to draw viewers.

The scaling back continued through 2008. For instance, Dateline, which had aired regularly four times a week at its peak, was broadcast just once a week on a regular basis in 2008, and it gave up altogether on a controversial crime-fighting format that drew a lawsuit.

Audience

48 Hours, perhaps because of its Saturday night airing, was the biggest loser of viewers among the news magazines in 2008. The program lost 12% of its audience, which fell from a weekly average of 6.7 million viewers to 5.9 million. Most of its competitors also lost viewers, though not as drastically.


NBC News’s Dateline averaged 6.2 million, down 6% year-to-year.

Nightline, also on ABC, stands apart because of its late-night time slot and its relatively stronger emphasis on hard
news. It averaged 3.4 million viewers. That was down just slightly, by 1% year-to-year. But the program has held its share of the audience since 2006. And during the last half of the 2008, the program regularly garnered more viewers than the Late Show With David Letterman, a competitor in its 11:30 p.m. daily time slot. 1

Nightline will face a new challenge when Conan O’Brien takes over the Tonight Show from Jay Leno in June 2009. Despite Nightline’s relative success in 2008, many inside the industry expect O’Brien’s arrival to change the dynamics of late night. If ABC is convinced it can gain share against new competitors at 11:30, particularly of O’Brien’s ratings are lower than Leno’s were, it may well replace Nightline with an entertainment show.

ABC reportedly considered ending Nightline to make room for a show hosted by Jay Leno. The speculation was reminiscent of ABC’s move in 2002 to offer David Letterman the Nightline time slot. But NBC held on to Leno by offering him the prime-time slot of 10 p.m. five nights a week starting in the fall of 2009. Nightline is slated to live on into 2009.

Still reigning supreme was 60 Minutes, the one magazine program that has consistently relied more heavily on hard
news. It drew an average of 11.9 million viewers in 2008, up 3% compared to 2007.

CBS’ 60 Minutes celebrated its 40th anniversary on the air in 2008 and increased its audience slightly by capitalizing on interest in the presidential campaign. In 2008, the program remained the most popular news magazine on television, and, in some weeks, one of the most-watched programs of any sort.

Part of the program’s success was its ability to attract presidential candidates for interviews. In September, the program devoted its hour to back-to-back interviews John McCain and Barack Obama. And after the election, 60 Minutes interviewed Obama campaign staff and then the next week featured the president-elect’s first post-election interview. It drew 24 million viewers, the news magazine’s largest audience since January 17, 1999, when the program included a story about an American woman’s murder in South Africa. Moreover, those interviews won 60 Minutes the title of most-watched program on television for two consecutive weeks, a feat that the program last achieved in 1993. 2

In early 2009, CBS added Byron Pitts as a contributing correspondent to the show, making him the first African-American member of the on-air staff since Ed Bradley’s death in 2006.

Format changes

As they struggle for audience, the news magazines also played with their formats in an effort to redefine themselves.

Dateline took a step back from one of its more salacious specialties. Its series “To Catch a Predator,” which first aired in 2004, used hidden cameras to greet unsuspecting men who allegedly used the Internet to arrange for sex with minors. The series attracted high ratings but also drew criticism from some who charged that the program depended on unethical deception of suspects, hindered the prosecution of alleged offenders and relied on a problematic cooperation with law enforcement officials. Dateline aired its last episode of the series in December 2007. In June 2008, NBC settled a $105 million lawsuit brought by relatives of a man who committed suicide in 2006 after being caught in the on-camera sting.

Without the predator segment, Dateline, which began in 1992 as a showcase for NBC’s news division, returned to a more traditional menu of news stories and features. But NBC programmed infrequent and unpredictable airings of the Sunday version of show in 2008. Overall, the Sunday ratings were down 4% to an average of 5.5 million viewers over the year.

Dateline, which laid off long-time host Stone Phillips in 2007, cut staff more deeply in late 2008. 3 The program’s West Coast correspondent, John Larson, was let go in late December, as were a “handful of people” assigned to Dateline in Washington. 4

Footnotes


The NewsHour, a staple of public broadcasting since 1983 whose audience numbers have been more stable than commercial broadcast news, lost viewers in 2008 and faced new financial pressures.

It was the third year in a row that the newscast has had a drop in viewership and the decline was slightly steeper than in previous years.

The NewsHour also took new steps in 2008 to attract more funding for the program. Declining corporate sponsorship and flat public funding led the program to hire a full-time fundraiser to try to attract more donations from foundations.

Online, the NewsHour added two staff positions and new features related to the election, and two microsites, one focused on health and the other on financial literacy.

Audience

The NewsHour With Jim Lehrer attracted approximately 1.1 million viewers during the average minute of programming in the season that ran from July 2007 to June 2008, according to the most recent available data from the NewsHour research department. That is down from 1.3 million during the 2006-07 and 1.4 million during the 2005-06 season.

For the 2007-08 season, the number of different people watching each week was 5.5 million, down from the previous season’s 6.1 million.

In general the NewsHour each weekday night routinely draws about one-fifth the ratings of the average commercial network news program. The NewsHour drew a household rating of 0.8 for the 2007-2008 season, down from 1.0 the previous season. That compared with an average rating of about 5 for the network news programs. Household ratings represent the percent of American households tuned to a program during an average minute. 1

Household ratings figures for the NewsHour, a staple of the Public Broadcasting Service, show the audience crept higher after the 2007-2008 season ended in June but still remained below the previous year’s average. After holding steady at a 0.8 rating in July and August, the program pulled 0.9 in September and October, the period for which the latest data are available. 2

What accounted for the year-over-year drop? According to Beth Walsh, senior director of PBS research, the main factor was competition from cable news, which offers viewers the convenience of getting news updates whenever they want. And more cable channels mean more choices for consumers. 3
“Like all media, PBS has felt competition from alternative sources of news, particularly cable,” Walsh said. “As we’re seeing more and more channels in the average home, due to the increased penetration of digital cable, viewing gets more fragmented across the multitude of sources available.”

### Audience Demographics

Compared with viewers of network news and cable news, those watching the NewsHour tend to be more educated and have higher incomes, according to survey data by the Pew Research Center for the People & the Press.

As a group, people who watch the NewsHour “regularly” or “sometimes” are more likely to have a college degree than such viewers of cable or network news. Slightly more than 34% of NewsHour viewers have a college degree. That compares to 23% of network evening news viewers, 28% of cable news viewers and 28% of Americans generally. 4
NewsHour viewers also tend to have higher incomes. About 30% of NewsHour viewers make $75,000 or more, compared with 24% of nightly news viewers, 19% for cable news, and 27% for Americans generally.

**Economics**

The NewsHour had a budget increase in 2008 thanks to a one-time supplemental grant from the Corporation for Public Broadcasting, which distributes federal money, to fund election-year coverage. Corporate sponsorships, however, declined during the year.

The program’s budget increased 16%, or $4.3 million, to $31.5 million for the fiscal year that ends June 30, 2009. But the gain was temporary because it included the grant from the Corporation for Public Broadcasting, which came to $5.2 million.

The NewsHour did not hire additional permanent staff with the election-year funding, but signed up temporary contract workers to manage the labor-intensive coverage of the political conventions. 5

The program suffered a blow in 2007 when Archer Daniels Midland ended a 14-year relationship that was worth an estimated $4 million a year to the NewsHour. In May 2008, the program froze salaries and 401-K contributions were suspended. 6

Host Jim Lehrer was quoted at the time in the New York Times as saying the financial strains were the worst in the program’s history – and that was before the full impact of the recession hit.

Looking ahead to the 2009-2010 fiscal year, the program expects to have just $26 million to spend. This would be a $5.5 million, or nearly 17%, decrease, despite two new grants the program received in 2008.

One of the grants, which is tied to coverage of global health issues, is for $3.5 million from the Bill & Melinda Gates Foundation. It paid for a production unit to expand the NewsHour’s broadcast and online coverage of governmental, nongovernmental and scientific approaches to combating malaria, HIV/AIDS, tuberculosis, measles and other diseases.

It is a three-year grant, granted in December. It is to pay for 40 to 50 packaged reports aired on the NewsHour’s PBS broadcast and its website, as well as an outreach effort to put the reporting in front of policymakers, scientists, medical professionals and others in the global health community.

The other grant is dedicated to improving financial literacy in America. It came from the Alfred P. Sloan Foundation Fund. The $1 million financed a new series to improve public understanding in economics and finance. The coverage, which was scheduled to begin in February 2009 and run through the year, analyzes the causes and consequences of the economic turmoil and explores alternative institutional and regulatory changes for improving market performance.

Even with those grants, a decline in federal funding and worsening economy present financial challenges in 2009, according to David Sit, a NewsHour vice president.

The program still gets about 40% of its funding from the federal government, 30% from corporate underwriting and
another 30% from foundations. In recent years, however, declining corporate sponsorship has forced the NewsHour to seek out more foundation money to make up the difference. 7

“The fear is that foundations are in the markets like everyone else,” said Sit. “Foundations are suffering, and we’re worried for the next couple of years.” 8

**News Investment**

The NewsHour’s website listed 115 employees for the television program and its affiliated website, www.pbs.org/newshour, as of January, 2009. These include 97 editors, reporters, correspondents, producers and support staff based in Washington, 5 correspondents based outside Washington, 3 people in a bureau in San Francisco and 9 in Denver.

One other issue at the NewsHour is the on-air personality of the program. Anchor and executive editor Jim Lehrer underwent heart surgery in 2008 and was off the air for two months. Although he returned to the air and said he has no plans to retire, he is will turn 75 in May 2009.

The program turned to former staffer and ex-CNN anchor Judy Woodruff to take up some of Lehrer’s anchoring duties in his absence. She joins a team that includes Gwenn Ifill, Ray Suarez, Margaret Warner and Jeffrey Brown, as well as a group of correspondents.

In October 2008 PBS began an international news program called “Worldfocus,” which airs on 190 PBS stations. 9

Executive producer Marc Rosenwasser, who spent 16 years at NBC News, compared the program to ABC’s Nightline, which gives the anchor a bigger role than most network evening newscasts.

The anchor, former NBC correspondent Martin Savidge, covered both the Iraq and Afghanistan wars and reported from other foreign locales. National Public Radio reporter Deborah Amos and Richard Haas, president of the Council on Foreign Relations, will appear as contributors to a weekly analysis of global news.

**Digital Trends**

The NewHour also has tried to develop a presence online and was an early advocate of referencing additional information online during its television broadcast.

As of 2008, the NewsHour’s website, www.pbs.org/newshour, did not register in the top 50 news websites as measured by both Nielsen Online and Comscore, placing it far behind the network news sites in unique audience. In 2008, the website added several new features, including two related to the election, and added a mapping tool that allows users to track NewsHour coverage on a hyperlinked map of the world.

The first election feature, “The Reporter’s Blog,” ended after the election. It had provided regularly updated news and commentary about the 2008 elections by PBS reporters following the presidential, Senate and House races. The second, which remained on the program’s website early this year, was a partnership with YouTube that allowed PBS
users to post videos documenting their voting experiences. The NewsHour’s “Video Your Vote” project, a partnership with YouTube (www.youtube.com/videoyourvote), drew 3,000 people who created and uploaded videos about their own voting experience and interviews with other voters before and on Election Day.

Also new to the site in 2008 is its “Worldview” feature (http://www.pbs.org/newshour/world/). The page is oriented around a world map. Users can scan the globe for areas of interest to them and click on hyperlinks that take them to the latest NewsHour coverage on that area.

Late in the year, the NewsHour used funds from its Gates and Sloan grants to plan two new microsites—one dedicated to global health issues and the other devoted to promoting financial literacy.

PBS began to plan and develop the two new areas on the website and hired two new online associate editors to produce the content. The sites will offer video of story packages created for broadcast, interviews with experts in the field and other content created solely for the Web.

While the NewsHour’s website has not opened all of its news stories to user comments, it has created some areas that feature user-generated content and input. A weekly insider forum, for instance, allows users to follow up with reporters with questions on broadcast interviews and reports.

The NewsHour’s Web approach mirrors the broadcast format, which selects three to four lead stories and delivers in-depth story packages and analysis of them. The focus is on original reporting and analysis from its own team as opposed to an aggregation of wire stories, which is the network approach.

Conclusion

Although different from the commercial networks in structure and content, the NewsHour on PBS in some ways shares the challenges of its commercial rivals. Both are now, in many ways, trying simply to break even economically. For the commercial networks, advertisers in difficult times are thinking hard about advertising dollars. For PBS, corporations are increasingly looking at their underwriting as an element of their marketing, rather than as an act of philanthropy.

“Now, it’s more a marketing-driven conversation, about audiences, and delivery and engagement,” said Rob Flynn, vice president for communications and marketing for the NewsHour.

Moreover, the NewsHour’s traditional model of seeking long-term sponsorships is becoming an anachronism. Givers are now looking for shorter-term arrangements to maximize their flexibility.

The program boasts a highly educated and relatively wealthy viewership, but like most news operations, its average viewer over 55. What’s more, the NewsHour faces the challenge, in time, of dealing with an anchor change. All of these issues will likely raise questions about whether the style and content of the NewsHour will be rethought, and in that rethinking, whether the risks outweigh the possible gains.

Footnotes

1. The hour-long broadcast airs each weekday on more than 300 PBS stations. It is available in 98 percent of the
nation’s television households. It is also seen daily in Japan by NHK Broadcasting, via the Direct Broadcast Satellite System (Channel One); in Asia, Europe, Latin America and Africa, via the U.S. Information Agency’s WorldNet Satellite; and in 23 countries in the Middle East and North Africa, according to PBS.

2. PEJ Interview with Beth Walsh, senior director of PBS research, January 22, 2009

3. PEJ Interview with Beth Walsh, senior director of PBS research, December 15, 2008

4. “Key News Audiences Now Blend Online and Traditional Sources,” Pew Research Center for the People & the Press, August 17, 2008. Figures are weighted to the general adult population

5. PEJ interview with David Sit, vice president of the NewsHour, November 17, 2008


7. PEJ interview with David Sit, vice president of the NewsHour, November 17, 2008

8. PEJ interview with David Sit, vice president of the NewsHour, November 17, 2008


10. PEJ interview with David Sit, vice president of the NewsHour, November 2008

11. PEJ interview with Leah Cramer, managing editor for education issues, NewsHour Online, December 2008

12. PEJ interview with Leah Cramer, managing editor for education issues, NewsHour Online, December 2008


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Evening News Household Ratings Over Time
Evening News Share Over Time
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Evening News Household Ratings, 2007 vs 2008
Evening News P2+ Ratings, 2007 vs 2008
Evening News Share, 2007 vs 2008
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Introduction
By the Project for Excellence in Journalism

While many sectors of the mainstream news media struggled, in 2008 cable shined.

CNN, Fox News and MSNBC all gained viewers, were projected to see record profits, and expected to increase spending on newsgathering and bureaus around the world. CNN even launched a wire service to compete with the Associated Press.

In the last two months of the year, however, after the hoopla of the presidential election ended, ratings plummeted, and questions arose about how much of the gain would last.

Why did cable news outperform virtually every other news organizations? The answer begins (and perhaps ends) with the presidential election. All three channels focused more of their time on the race than virtually any other news operations in the country, especially at night. The talk show format that dominated cable’s prime time became even more ideologically polarized, Fox News hewing right, MSNBC left, and CNN coming closer in tone to the media elsewhere. And cable’s politically active audiences tuned in as never before.

The formula was not without controversy, especially at MSNBC. When the network allowed talk show hosts to anchor primary night and convention coverage, even some people at its parent NBC News complained, worrying about damaging the NBC News brand. At almost the same time, however, the channel found new ratings success in liberal pundit Rachel Maddow.

While the formula paid off, by the end of the year it also left as many questions as it had answered.

In early 2009, audiences were up in the first two months, suggesting the channels might retain some, but not most, of the viewership gained during the election year.

Content Analysis

Cable Content
By the Project for Excellence in Journalism

The Cable News Agenda: The Election, The Election, The Election
In a news year dominated by two major stories, the television sector with the most time to fill, cable news, offered the narrowest news agenda of all. According to an analysis of the coverage examined by PEJ, the cable TV channels spent about three out of every five minutes on a single story: the 2008 presidential election.

That helped them enjoy sizable ratings increases in 2008, but it raised the question going forward of whether these outlets had a second act that would retain their audience once the ballots were cast, and the early indicators were mixed. CNN and MSNBC lost much of their audience gains. Fox, after a drop, saw its audience jump in the early days of the Obama administration. (See Cable Audience Section)

Cable’s affinity for the presidential election was foreshadowed in 2007, when the sector devoted 15% of the airtime studied to the early stages of the race. But in 2008, that level of coverage swelled to 59%.

The attention was not evenly dispersed. There are—literally and figuratively—day and night differences in news priorities, with the talk-oriented prime-time lineups responsible for the lopsided focus on the election. And within the cable universe itself, MSNBC, the self-proclaimed “Place for Politics,” distinguished itself from CNN and the Fox News Channel with an even more spectacularly single-minded focus on the election throughout the day.

**Top Stories: Cable vs. Other Media Sectors**

<table>
<thead>
<tr>
<th>Media Outlet</th>
<th>Election</th>
<th>U.S. Economy</th>
<th>Iraq War</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td>60%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Radio</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Network TV (w/o PBS)</td>
<td>30%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Online</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: PEJ, A Year in the News, 2008
Note: Election includes stories about the campaign, results, and the transition
U.S. Economy includes stories about the financial crisis, economic numbers, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
Iraq War includes stories about Iraq policy debate, events in Iraq, and Iraq homefront.
The cable television news agenda in 2008 was the most constricted of any of the five basic media sectors studied—radio, online, network television, newspapers and cable. The campaign, election results and subsequent transition to the Obama administration accounted for 59% of all the airtime studied on CNN, the Fox News Channel and MSNBC. That translates into about 60% more coverage on cable than the election received in the media over all, even with the election the top story in all media sectors.

The other part of the picture is the news that was squeezed out by the medium's election-centric fascination. The floundering U.S. economy, which exploded as a major news story in mid-September with the sharp decline on Wall Street and distress in the banking industry, accounted for 10% of the airtime studied on cable—a third less than the 15% of over all media coverage last year, and the smallest of any sector studied.

The constriction also extended to the Iraq war and foreign news in general in 2008. While coverage of Iraq decreased in the media over all by about three quarters from 2007 to 2008, it plunged by almost 90% in cable (to only 2% of the newshole from 15% in 2007), making it the sector devoting the least attention to one of the longest wars in U.S. history.

And it wasn’t just Iraq. Any news from overseas was hard to find on cable. Only 8% of the newshole studied was filled by coverage of foreign events. That compares with 17% for global news in the media over all. The combined cable coverage of such international stories as Afghanistan and Pakistan—two nations deeply intertwined with U.S. security interests—filled about 1% of the newshole, about 30% as much coverage as in the media over all.

Instead of simmering foreign or domestic news, cable tended to focus its non-election airtime on more attention-getting, one-time events. The deadly Mumbai attacks that terrorized India, for example, generated more coverage in cable than any other sector. It was also the only media platform in which the Caylee Anthony case, involving the missing toddler in Orlando, Florida, whose mother was charged with her murder, was a top-10 story for the year. The same is true of the splashy sex scandal that ensnared the governor of New York, Eliot Spitzer, in Washington.

Top Stories: Cable vs. Media Over All
Percent of Newshole

<table>
<thead>
<tr>
<th></th>
<th>Cable</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election*</td>
<td>59%</td>
<td>36%</td>
</tr>
<tr>
<td>U.S. Economy†</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Blagojevich Scandal</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Iraq War‡</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Immigration</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Mumbai Terror Attacks</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Domestic Terrorism</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Caylee Anthony</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Spitzer Scandal</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Scott McClellan’s Book</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Georgia/Russia Conflict</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.
Daytime Vs. Prime Time: Night and Day

There was more coverage of the Mumbai, Caylee Anthony and Spitzer stories in daytime cable than on prime time, which hints at another finding clear in the data from 2008.

The cable news universe is divided into distinctly different parts. During the day, the emphasis is more on covering a handful of breaking—or pending—news events, with a much smaller audience tuning in. At night, when the talk shows take over, commentators and pundits dissect and magnify the one or two biggest developments that lend themselves to debate and disagreement, and play to audiences that are about double that of daytime. It is this more narrowly focused prime time that attracts the most viewers, features each channel’s best-known talent and most sharply defines the personalities of the channels.

When it came to the proportion of time devoted to the two big stories of the year, daytime cable looked very much like the media over all. It spent 35% of the airtime studied on the election, almost exactly in sync with the media in general, which filled 36% of its time and space with election coverage. Daytime cable also filled 15% of its newshole with coverage of the economy, matching the output in the media over all (15%).

But the subjects that made up the remainder of airtime were quite different on daytime cable than in the media over all or on evening cable. One story in which daytime cable lagged well behind the media was the Iraq war. It accounted for only 1% of the newshole—about one-third of the over all coverage devoted to the story in the broader media. Coverage of foreign news in general was minimal, filling only 10% of the daytime newshole—a little over half the coverage that topic got in the general media (17%). The second-biggest international story, behind Iraq, was the Mumbai terror attacks (also 1%), but events such as the war in Afghanistan and the situation in neighboring Pakistan were all but ignored.

Instead, crime and disasters registered as significant topics on daytime cable. Driven by stories such as the Caylee Anthony case and a polygamy sect in Texas, general crime coverage accounted for 13% of the daytime cable newshole studied, almost three times as much as in the media over all (5%). Coverage of severe weather, including Hurricanes Gustav and Ike, helped disasters and accidents fill 8% of the daytime newshole, double the 4% in the media in general.

Viewers of prime-time cable saw a very different array of news. In the main, prime-time cable in 2008 closely resembled talk radio with pictures. Both platforms placed a premium on high-octane opining and polarizing punditry that tended to magnify the biggest stories. This resulted in relentless coverage of the election (65% in prime-time cable and 60% in talk
radio) and lack of attention to the economy (8% of the newshole in both cases). Even with the relative scarcity of financial coverage, however, almost three-quarters of the prime-time newshole was given over to those two subjects—leaving precious little time for anything else.

While prime-time cable devoted more coverage to the Iraq war (2%) than daytime, it still offered only about half the attention the war received in the media over all.

And that extended to coverage of overseas events generally, which accounted for just 7% of the cable prime time studied. That was less than half that in the media over all.

Cable in the evening hours also paid only modest attention to domestic topics that were not about politics, such as disasters and lifestyle issues. They did, however, devote more coverage than the media in general to such politically related stories as the scandal involving the Illinois governor, Rod Blagojevich, and the book by President George Bush’s press secretary, Scott McClellan, that was critical of his ex-boss.

**Top Stories: Daytime and Evening Cable vs. Media Over All**

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Daytime Cable</strong></td>
</tr>
<tr>
<td>Election*</td>
</tr>
<tr>
<td>U.S. Economy †</td>
</tr>
<tr>
<td>Caylee Anthony</td>
</tr>
<tr>
<td>Violent Summer Weather</td>
</tr>
<tr>
<td>Iraq War ‡</td>
</tr>
<tr>
<td>Blagojevich Scandal</td>
</tr>
<tr>
<td>Spitzer Scandal</td>
</tr>
<tr>
<td>Mumbai Terror Attacks</td>
</tr>
<tr>
<td>Domestic Terrorism</td>
</tr>
<tr>
<td>Texas Polygamy Case</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.
Differences By Channel: MSNBC, the ‘Place for Politics,’ Stands Alone

There were distinctions among the three major cable channels themselves in prime-time news judgment. Fox News, for example, tended to focus more on crime, while CNN covered more immigration than the others. The most glaring differences, though, stemmed largely from virtually wall-to-wall coverage of the presidential election by one cable channel, MSNBC.

In 2008, MSNBC solidified its niche as a left-leaning alternative to the conservative Fox News Channel, adding Air America radio talker Rachel Maddow to a prime-time lineup that already showcased the liberal politics of “Countdown” host Keith Olbermann. (See Cable News Investment) But branding itself as the “Place for Politics” slogan may have been just as intrinsic to its identity.

Including all time slots studied, MSNBC devoted nearly three-quarters of its coverage (72%) to the election, easily outstripping CNN (55%) and Fox News (52%).

And MSBNC maintained a substantial lead in political coverage round the clock. In daytime, 50% of its newshole was filled by the election, compared with 31% on Fox News and 26% on CNN. In the evening hours, the breakdown was 80% for MSNBC, 62% for CNN and 57% for the Fox News Channel.

Top Two Stories: Coverage by Cable Channel
Per cent of Newshole

<table>
<thead>
<tr>
<th></th>
<th>MSNBC Daytime</th>
<th>MSNBC Evening</th>
<th>CNN Daytime</th>
<th>CNN Evening</th>
<th>Talk Radio Daytime</th>
<th>Talk Radio Evening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election*</td>
<td>50%</td>
<td>80%</td>
<td>26%</td>
<td>62%</td>
<td>31%</td>
<td>57%</td>
</tr>
<tr>
<td>U.S. Economy †</td>
<td>11</td>
<td>5</td>
<td>21</td>
<td>10</td>
<td>14</td>
<td>9</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae

MSNBC also showed more interest in political stories not directly related to the election. (One of its anchors, Chris Matthews, made political headlines of his own with speculation that he might challenge Senator Arlen Specter, the Pennsylvania Republican, in 2010, a move he ultimately decided against.) The channel paid a bit more attention to Scott McClellan’s harsh evaluation of his former boss, focused more on former Democratic presidential hopeful John Edwards’ marital infidelity and devoted a bit more coverage to the Blagojevich scandal than its two rivals. (The one exception was the Spitzer scandal, which received marginally more attention on Fox News and CNN.)

MSNBC’s exceptional focus on the election translated into considerably less coverage of everything, including the faltering economy, the second-biggest story of the year. The economy accounted for only 7% of MSNBC’s coverage (less than the 12% on CNN and 10% on Fox News). That trend, too, was maintained in both daytime and evening programming.
There was less attention as well to crime, disasters and accidents and immigration on MSNBC. And while Iraq coverage was minimal on all three networks, MSNBC devoted only 4% of its airtime to foreign coverage in 2008—less than half the time allotted to international news (9%) on both Fox News and CNN.

Select Broad Topics: Coverage by Cable News Channel

<table>
<thead>
<tr>
<th>Media Outlet</th>
<th>Election</th>
<th>U.S. Economy</th>
<th>Iraq War</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td>60%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Radio</td>
<td>40%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Network TV</td>
<td>30%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Online</td>
<td>20%</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>10%</td>
<td>20%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Design Your Own Chart
Source: PEJ, A Year in the News, 2008

The Cable Channels and the Candidates—Three Different Perspectives

Not only did the topic agenda vary some by network, but a close look at the content also documents that the tone did as well. In a year dominated by politics, the three cable news networks came to fill distinctly different ideological niches. MSNBC tacked farther to the left, establishing itself as a liberal counterweight to Fox News, whose lineup of programs is more conservative. CNN's roster of commentators filled the political spectrum, but its prime-time hosts, with the exception of Lou Dobbs, tend to be more neutral, at least in their on-air presentation. (See Cable News Investment)

And there were substantial differences in how the three networks portrayed the presidential candidates during a crucial
stretch of the general election—September 8 through November 2—that started after the nominating conventions and ended two days before the voting.

An examination of the tone of that campaign coverage revealed that MSNBC was much less likely to air negative segments about Barack Obama than the press over all. Just 16% of MSNBC segments studied about Obama were clearly negative in tone, compared with 27% in the news media over all. It also ran a slightly higher percentage of positive Obama stories, 40% vs. 38% in all news media.

MSNBC was also much more likely than to run negative stories about John McCain than the media over all, which was already quite rough. Fully 75% of McCain stories were negative (vs. 57% generally), while only 9% were positive (compared with 14% in the news media over all).

Fox News coverage of the candidates was in many ways the reverse of MSNBC’s. It was far more likely to air negative stories or segments about Obama than the media over all (43% vs. 27%), and much less likely to run positive ones (24% vs. 38%). Toward McCain, Fox News was more likely to be positive than other media (22% vs. 14% in the press over all) and substantially less likely to be negative (38% vs. 57% in the press over all).

CNN fell in the middle. Its coverage was closer than any other cable news channel to the press in general. If anything it was a little more critical of Obama than the media over all (36% negative versus 27% negative). For McCain, it hewed closely to the media generally.

### Tone of Coverage: Obama vs. McCain
Percent of Campaign Stories, September 8-November 2, 2008

<table>
<thead>
<tr>
<th></th>
<th>MSNBC</th>
<th>CNN</th>
<th>Fox News</th>
<th>Media over all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obama</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Positive</td>
<td>40%</td>
<td>9%</td>
<td>38%</td>
<td>24%</td>
</tr>
<tr>
<td>Negative</td>
<td>16</td>
<td>75</td>
<td>36</td>
<td>59</td>
</tr>
<tr>
<td>Neutral</td>
<td>44</td>
<td>16</td>
<td>26</td>
<td>25</td>
</tr>
</tbody>
</table>

Fox News and some conservatives have viewed these numbers as proof of Fox’s objectivity, since the tone of coverage toward Obama and McCain were quite similar. By treating the two candidates the same, the argument went, it was the most neutral channel. We think this is a misreading of the data.

Campaigns are rare events that offer some objective measure for tone—the candidates’ standing in the polls. The candidate who is winning tends to get more positive coverage, if only because the political stories—such as strategy,
tactics and the horse race— that make up the biggest percentage of campaign coverage reflect and reinforce the candidates’ standing in the race. It follows that Obama’s coverage would be “better” than McCain’s. He was winning, and indeed, most of Obama’s positive stories were horse race stories.  

If one candidate is clearly ahead and the other is struggling, and horse race stories are part of the mix studied, it makes little sense that the tone of the coverage of the two candidates would be similar. That would not reflect the reality of the race.

The question is what level of “better” coverage is too much, which is a difficult question to answer. One way of putting the coverage of Fox News and MCNBC into perspective is to calculate the extent to which they deviated from the rest of the media by computing the statistical differences for both networks from the press over all. By this calculus, Fox News varied from the press over all by 46%, and MSNBC varied by 29%. Whatever one’s view is of the mainstream press, these two cable channels vary from each other even more.

Campaign Themes for Select Cable Shows

January 6 – November 3, 2008

Design Your Own Chart

Source: PEJ, A Year in the News, 2008
Another indicator of how cable news treated the candidates was which election themes the hosts chose to focus on. Here again, we had some clear distinctions between MSNBC and the Fox News Channel.

On both Hannity & Colmes and the O'Reilly Factor, the No. 1 election storyline from January 1 to November 3 was one that created serious political problems for Obama and was fodder for his critics — the candidate’s relationship with the Rev. Jeremiah Wright Jr. That was also the case for CNN prime-time host Anderson Cooper, who largely maintains an ideologically neutral posture on his show.

Some of the favored election storylines on MSNBC were very different, with McCain as the primary target. The second-largest narrative on Olbermann’s Countdown program was a largely unfavorable discussion of the McCain campaign’s criticisms of Obama. It was also the No. 2 storyline on the Rachel Maddow show—behind only the economy/financial crisis—which was begun late in the campaign season, in September. But even at No. 2, the McCain criticism took up a much greater amount of Maddow’s time than it did on Olbermann’s program.

Differences in How the Networks, and Individual Cable Shows, Deliver the News

In 2008, the editorial personalities of the three news cable networks were also revealed in part by their formats—the percentage of newshole allotted to correspondent-reported packages, interviews, correspondent stand-ups and anchor reads.

On CNN—with a reputation for having the most reporting resources of the three cable networks—39% of the airtime studied last year was spent on packaged reported pieces. That is another measure establishing that viewers are getting more reporting and less talk there. Compare that with 24% on Fox News and only 9% on MSNBC. CNN and Fox News devoted very similar percentages of their time to another mode of reporting, live on-air staff reports, at 16% and 17%, about twice the proportion on MSNBC (9%).

And while MSNBC had the smallest percentage of reporting-oriented formatting, it easily spent the most time on interviews—68% compared with 46% on Fox News and 31% on CNN. That perhaps fits with that network’s extensive coverage of the election, a subject often driven by the opinions of pundits and analysts in panel and discussion settings.

One other way of getting a handle on a cable network’s priorities is to compare the length of their reported segments, either the pre-produced packages or the live staff reports. In both cases, there are differences among the three cable news competitors.

Not only did CNN devote the most time to packages by a significant margin, but those reports also tended to be longer than those of their competitors. The average CNN package in 2008 ran for 2 minutes and 45 seconds, compared with 2 minutes and 25 seconds on Fox News and 2 minutes on MSNBC. Lest those differences seem relatively minor, 20 seconds is a significant chunk of time in television.

By way of comparison, there is one fundamental difference between the length of reported pieces on cable news and on the broadcast networks. The average package on the ABC, CBS and NBC morning and evening news shows in 2008 lasted 2 minutes and 22 seconds. But the live staff reports are considerably shorter on the broadcast networks, lasting on average only 1 minute and 23 seconds. That may reflect tighter formatting on the network shows—where
correspondents say their piece and are done—as opposed to the more conversational back and forth that occurs between correspondents and anchors on cable news.

### Story Format on Cable News

<table>
<thead>
<tr>
<th></th>
<th>Package</th>
<th>Interview</th>
<th>Staff</th>
<th>Anchor</th>
<th>Live (event or ext. live)</th>
<th>Unedited Audio/Video</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CNN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lou Dobs Tonight</td>
<td>68%</td>
<td>12</td>
<td>7</td>
<td>13</td>
<td>&lt;1</td>
<td>0</td>
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</tr>
<tr>
<td>Situation Room With Wolf Blitzer</td>
<td>49</td>
<td>24</td>
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<td>9</td>
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<td>1</td>
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<td>Anderson Cooper 360</td>
<td>34</td>
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<td>11</td>
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<td>5</td>
<td>&lt;1</td>
<td>&lt;1</td>
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<td>Campbell Brown: No Bias. No Bull.</td>
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<td>42</td>
<td>29</td>
<td>8</td>
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<td>&lt;1</td>
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<td><strong>Fox News</strong></td>
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<td></td>
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<td>Special Report with Brit Hume</td>
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<td>Fox Report with Shepard Smith</td>
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<td>The O'Reilly Factor</td>
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<td>Hannity &amp; Colmes</td>
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<td>1</td>
<td>1</td>
<td>&lt;1</td>
<td>0</td>
</tr>
<tr>
<td><strong>MSNBC</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Countdown with Keith Olbermann</td>
<td>21</td>
<td>62</td>
<td>4</td>
<td>13</td>
<td>&lt;1</td>
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<td>0</td>
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<tr>
<td>The Rachel Maddow Show</td>
<td>20</td>
<td>54</td>
<td>3</td>
<td>19</td>
<td>3</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Hardball with Chris Matthews</td>
<td>7</td>
<td>84</td>
<td>3</td>
<td>5</td>
<td>&lt;1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>1600 Pennsylvania Ave</td>
<td>7</td>
<td>66</td>
<td>15</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Race for the White House</td>
<td>6</td>
<td>80</td>
<td>9</td>
<td>2</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
At the level of individual programs, there were significant differences in format. Two cable news shows are constructed more like traditional broadcast newscasts: CNN’s Lou Dobbs Tonight and Fox’s Special Report with Brit Hume (taken over in January 2009 by Bret Baier). Both leaned heavily toward reported packages, which made up about three-quarters of the time on each show.

Several other prime-time shows offered a mix of on-air formats. CNN’s Situation Room With Wolf Blitzer, a program with some elements of traditional newscast formatting, spent about half its time airing packages—with about a quarter of the show devoted to interviews. On Anderson Cooper’s 360 show on CNN, about a third of the time was taken up with reported packages with half the time devoted to interviews. Live staff reports constituted the biggest component—about one-third—of Shepard Smith’s Fox Report, but more than a quarter of the time was consumed with package reports as well.

Most of the rest of cable’s prime time is built as pure talk shows that rely largely on interviews, although here, too, there were differences. Three of the prime-time shows are all almost talk, with a heavy tilt toward interviews. Interview segments accounted for at least four-fifths of the airtime on Hannity & Colmes, Hardball and the O’Reilly Factor. It’s perhaps no coincidence that Hannity & Colmes and Hardball were among the shows devoting the most attention to the election. And O’Reilly has traditionally made his encounters with guests a linchpin of his program.

Two of MSNBC’s prime-time stars—Olbermann and Maddow—led more highly produced talk-oriented shows that devoted most of their time to interviews, but still had a relatively large chunk of reported packages. On both Countdown and the Rachel Maddow Show, interviews accounted for more than half the airtime, but about one-fifth of their time was also devoted to reported packages.

**How Hosts Use the Camera and Microphone**

Some hosts make their imprint on their shows by dominating their interviews and panel discussions. But other hosts also put their stamp on their shows by spending more time talking directly to the camera in more formalized monologues and commentaries. Who are those?

It’s not, as some might have guessed, Chris Matthews or Bill O’Reilly.

It is other hosts on cable who spend their time talking alone directly to the camera, either delivering personalized monologues or commentaries to the audience or reading “tell stories,” anchor-narrated news stories that don’t involve a correspondent.

Matthews devoted only 5% of his airtime to this format, O’Reilly 6%, and the dueling duo of Hannity & Colmes 1%.

The hosts who in the time studied delivered more of this kind of direct-to-the audience communication are two of MSNBC’s prime-time stars and one on CNN. Olbermann, who gained fame as a sports anchor on ESPN, offered a good deal of personal commentary on his show, most notably his “special comment” segment. He was tied at 13% with CNN’s
Dobbs, who no doubt spent some of that time doing “tell” stories in his more standard newscast format.

The leader among talk-oriented hosts was MSNBC’s Maddow, who filled almost one-fifth (19%) of her airtime with anchor reads. In some ways, Maddow is an atypical cable host—an openly gay woman who has something of a kinder, gentler on-air demeanor than the average prime-time cable practitioner. But she was an Air America radio talk host—a job she still has—before MSNBC plunked her into its prime-time lineup. There is no better training ground than talk radio for delivering monologues on the air.

Footnotes

1. These figures differ slightly from those contained in The Color of News report because roughly two additional weeks data have been added.


Audience

By the Project for Excellence in Journalism

Introduction

Audiences turned to cable news channels in droves during 2008.

The three major news networks — CNN, Fox News and MSNBC — benefited from the drama and excitement of an election cycle that wound up engaging voters for nearly 21 months. By the time the race was over, the cable channels had converted nearly two-thirds the prime-time programming studied by PEJ to the campaign and drew record audience numbers. By one measure, average prime-time viewership, total audience jumped by more than half.

Which channel gained the most? The answer to this question is a bit more complicated than is often reported in the media.

The most common indicator of audience, ratings, tells us how many people are watching a certain channel in a given moment. By this measure, Fox News was the clear winner in 2008, followed at a distance by CNN and MSNBC.

Audiences approach cable news differently than they do traditional network television, however. Viewers often tune in less for particular cable programs than to see what is happening at random moments throughout the day or when big events are happening.

Cumulative audience measurement (cume) is designed to account for this type of news consumption habit, tracking how many different people tune in to a cable news channel, even for just a few minutes per month. In 2008, CNN was the clear leader in cume audience, and MSNBC caught up to Fox News by the end of the year.

And how did cable compare to other news on television? The three traditional network half-hour evening newscasts as a group continued to attract bigger audiences in 2008, claiming twice as many viewers as the average prime-time cable
audience. But some cable channels outdrew the networks for the first time during certain key events, including the political conventions. And according to survey data, 10% more people said they regularly turned to cable news rather than network for national and international news, compared to 1% more who said they preferred cable in 2002.

Even before the presidential campaign was over, analysts began to wonder whether the audience gains in cable news could be sustained once the votes were cast. The data for the first few months following the election suggest that all of the cable channels lost ground, though to varying degrees. By February 2009, audience levels for the three channels combined were slightly above where they were one year before.

A key question for the rest of 2009 will be how Fox News, CNN and MSNBC adapt to these declining audience patterns.

Cable News Prime-Time Viewership
February 2007 – 2009

Design Your Own Chart
Source: PEJ analysis of Nielsen Media Research, used under license
Audience shown is the sum of Fox News, MSNBC and CNN’s average prime-time audience

Cable Audiences: Growing Again
Cable audience growth in 2008 sharply eclipsed the increase in 2007 in both prime time and daytime.
Of the two, prime time saw the most growth. The evening programming, dominated by talk show hosts offering commentary on the news and long-form programs that go into one or two subjects at length, added audiences at twice the rate of daytime on the three major cable news channels. The same was true for the smaller HLN, formerly known as CNN Headline News. ¹

Ratings growth can be measured using one of two calculations – the mean (the simple average) or the median (the number in the middle of a series of figures).

This report offers the numbers in both forms.

The cable channels prefer to calculate their year-to-year ratings by converting the Nielsen Media Research ratings data into annual “averages” using the mean. Academic advisers to the Project are unanimous in the conclusion, however, that the median is a better indicator. Mean tends to give more weight to momentary spikes due to one-time events. Median reveals the audience that is most typical, thus giving a more accurate picture of the core audience, the number of people watching most of the time. (See the sidebar on audience measures for more on this.)

Over all, the median audience for cable news across all three channels in prime time grew by 35%, to 3.64 million, its highest point ever.

Cable News Prime-Time Viewership

1998 – 2008

Design Your Own Chart
Source: PEJ Analysis of Nielsen Media Research, used under license
Audience shown is the sum of Fox News, MSNBC and CNN’s mean and median audience
Using the industry-preferred metric, the mean or simple average, the prime-time audience grew even more, by 55%. By either measure, more than 3.5 million viewers watched cable news on an average night during 2008, nearly a million more than in 2007.

Although the jump was smaller, daytime cable also grew. The median daytime audience was up 18% from the year before. A record 1.86 million viewers tuned in to the three channels during the year, a rise from the 1.57 million the year before.

Mean audiences were at about 2 million, up 30% from 1.58 million in 2007.

Cable News Daytime Audience

Source: PEJ analysis of Nielsen Media Research data, used under license

Audience shown is the sum of Fox News, MSNBC and CNN’s mean and median audience.
The third way of measuring audience is “cume,” short for cumulative audience. This calculation refers to the number of individual (or “unique”) viewers who watch a channel for at least six minutes over the course of a month. Ratings, by contrast, measure how many people are watching a given program at any one moment. In CNN’s decade-long struggle against Fox News, this is one measurement by which it has consistently surpassed its rival (the cume data used in this report was supplied to PEJ by CNN).

In 2008, cume audiences grew for each of the cable news channels. The median cumulative monthly audience for CNN grew 10% in 2008 to 72.26 million. At Fox, the median cume audience rose less than 1% to 57.07 million. At MSNBC, it rose 6% to 57.42 million.

Cable News Cumulative Audience, by Channel

2002-2008, median audience

Design Your Own Chart

Source: Nielsen Media Research, data provided by CNN
Cumulative audience refers to the number of individual viewers who watch a channel for at least six minutes over the course of a month.
Fox News disputes the usefulness of the cume measure, at least for commercial purposes. “No one in the industry uses cumulative audience figures, because it is widely regarded as a grossly inaccurate measure of true audience for advertisers,” Fox spokesman Richard White told PEJ in an e-mail message. (MSNBC did not respond to PEJ’s query on the matter.)

Nielsen officials tell PEJ that there is no standard time frame for cume and that most television professionals consider a monthly capture to be an acceptable one. The monthly time frame that CNN uses to calculate cume data is also the same one used for unique visitors on the Internet and in that way offers some interesting comparisons. For advertisers, however, it also suggests that while CNN’s reach may be wide, it has a long way to go to get its viewers to watch as often as Fox News does.

Comparing the jump in ratings to the rise in cume also tells us something else. Cable’s ratings growth came more from getting its pool of regular viewers to tune in more than it did from expanding the universe of viewers over all, although it did some of that as well.

Cable News Cumulative Audience

![Cable News Cumulative Audience Chart](chart.png)

Design Your Own Chart

Source: Nielsen Media Research, data provided by CNN
2008: Channel by Channel

The other good news for cable news in 2008 was that all three of the main news channels saw ratings grow.

Fox News, the ratings leader, had the smallest rate of growth.

MSNBC remained in last, but had the greatest rate of growth and by year’s end passed Fox in cume.

CNN narrowed that gap with Fox in ratings slightly and expanded its advantage in cume.

Cable News Prime-Time Audience

February 2007 – February 2009, by Channel

Design Your Own Chart

Source: PEJ Analysis of Nielsen Media Research, used under license
Audience shown includes Fox News, MSNBC and CNN’s average prime-time audience
Cable News Prime-Time Audience, 2008

By Channel

Design Your Own Chart

Source: PEJ analysis of Nielsen Media Research, used under license
While there were exceptions, the fastest-growing shows continued to be personality-driven talk shows. The new Rachel Maddow Show on MSNBC quickly became an audience favorite. Keith Olbermann’s show also continued to grow. And on Fox News, Bill O'Reilly once again had the highest-rated show on cable news.
While it saw ratings grow sharply, MSNBC remained firmly fixed in third place in 2008 with roughly half the prime-time ratings of Fox.

Over all, MSNBC’s median prime-time audience grew by 57% in 2008 to 766,500 viewers, or 277,500 more than a year earlier.

The year before that, its median audience in prime time had grown 36%, thanks, in part, to the channel developing a clear pattern of liberal talk at night.

MSNBC’s mean prime-time audience in 2008 grew by 78% to 889,300 viewers, an increase of 390,700 over the year before.
In daytime, ratings also grew, and at a greater rate than that of CNN or Fox News. The median daytime audience rose 30% to 352,000 viewers, up from 270,000 the year before. The mean daytime audience grew by 43%.
When it came to cume, MSNBC’s audience growth was not quite so strong but still steady. In 2008, median cume audience grew by 11% to 57.4 million, up from 51.6 million in 2007. Its mean cumulative audience grew 17%.

When criticism was directed at MSNBC for the on-air behavior of some of its hosts, the network’s leadership pointed to its rapid ratings growth as evidence that it was connecting with audiences. (See News Investment for more.)

In the race for viewership at MSNBC, prime-time hosts Keith Olbermann and newcomer Rachel Maddow became the center of the channel’s strategy for success.

Countdown With Keith Olbermann was MSNBC’s highest-rated show, as it was in 2007. In November 2008, the first airing of the show (it is replayed later at night) drew 2.1 million average viewers. (And much of this occurred after Election Day). That is nearly triple the 793,000 in the same month a year earlier. That made Countdown the fifth-most-watched cable news program among the three channels in November, (behind The O’Reilly Factor, Hannity & Colmes, On the Record with Greta Van Susteren, and Special Report with Brit Hume).

During the year, Olbermann found himself at the center of attention at MSNBC for his opinions as well as his ratings success. But the controversy did not seem to dampen interest in his program. In the period where his views were
drawing increased criticism from the right and he was relieved of the anchor role for MSNBC’s election coverage, Olbermann’s regular prime-time audience continued to grow. Countdown went from being the 20th-ranked cable show, drawing an average 804,000 viewers in the second quarter of 2008, to being the 11th-ranked cable show in the third quarter, with an average of 1.2 million viewers.

In September, when the Ph.D.-bearing Rhodes Scholar and Air America radio host Rachel Maddow show replaced The Verdict with Dan Abrams at 9 p.m., she became an instant success. In November, she attracted 2 million viewers, making hers the eighth-most popular cable news program.

The other good news for MSNBC was that, unlike 2007, when some shows were losing audience, the full roster of programs saw growth in 2008. Hardball With Chris Matthews, for instance, saw audiences triple during the year (after an average of 420,000 viewers in 2007). The post-election program hosted by David Gregory, 1600 Pennsylvania Avenue, drew more than triple the ratings of the show it replaced, Race for the White House. Morning Joe and MSNBC Live, two daytime shows, both also nearly tripled their ratings. Even a repeat of Countdown With Keith Olbermann later at night averaged over a million viewers, a jump of nearly 200% over the documentary programming it replaced.

Top Shows on MSNBC
November 2007 vs. November 2008

<table>
<thead>
<tr>
<th>Show</th>
<th>Time</th>
<th>November 2007</th>
<th>November 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countdown with Keith Olbermann</td>
<td>8 p.m.</td>
<td>793,000</td>
<td>2,107,000</td>
</tr>
<tr>
<td>The Rachel Maddow Show (replaced Verdict With Dan Abrams)</td>
<td>9 p.m.</td>
<td>420,000 (Verdict)</td>
<td>1,826,000</td>
</tr>
<tr>
<td>Hardball with Chris Matthews</td>
<td>7 p.m.</td>
<td>420,000</td>
<td>1,175,000</td>
</tr>
<tr>
<td>Countdown repeat (replaced MSNBC documentaries)</td>
<td>10 p.m.</td>
<td>395,000</td>
<td>1,156,000</td>
</tr>
<tr>
<td>1600 Pennsylvania Avenue (replaced Race for the White House)</td>
<td>6 p.m.</td>
<td>269,000</td>
<td>851,000</td>
</tr>
<tr>
<td>Morning Joe</td>
<td>6 a.m.</td>
<td>229,000</td>
<td>647,000</td>
</tr>
<tr>
<td>MSNBC Live</td>
<td>9 a.m.</td>
<td>209,000</td>
<td>558,000</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research on Media Bistro.com
Note: All numbers are average viewership, people 2+ (people age 2 and up); shows ranked by November 2008 viewership

The Fox News Channel

Starting with higher ratings, Fox News may not have had the same rate of growth as CNN or MSNBC in 2008, but it
remained the ratings leader by far, and over all it gained more viewers in 2008 than its rivals.

Fox News’ dominance in overall ratings, with a lower monthly cume, suggests that the channel has been remarkably successful in getting its loyal base of viewers to watch more often and for longer. The key to this is building an audience base for specific programs — so-called “appointment viewers” — something that had eluded CNN and until recently MSNBC as well.

Fox News’ median audience in prime time grew 28% to 1.79 million viewers, up from 1.41 million the year before.

When measured as mean or simple average, the channel had 40% average growth, to 2.02 million viewers from 1.43 million the year before, an increase of nearly 600,000 viewers.

Daytime growth was not as strong, but it was still positive. The median audience grew 17% to 955,000, or 141,000 more
viewers than a year earlier. The mean grew by 265% to 1,028,000, or 211,000 viewers.

For the year, Fox’s median prime-time audience was 70% greater than CNN’s and 134% greater than MSNBC’s.

But those numbers are lower than they were a year earlier. In 2007, Fox News led CNN by 91% and MSNBC by 188%.

Seen another way, nearly half (48%) of all viewers watching prime-time cable news in 2008 were tuned into the Fox News Channel, down from 53% the year before.

In daytime as well, Fox News had the biggest share of the cable news audience, but its lead was trimmed slightly. It captured 50% of the daytime audience, down from 51% the year before.

When it came to monthly cumulative audience, Fox News had only the slightest hint of a gain, less than 1%, and by the end of the year, had fallen to third place, marginally behind MSNBC. Its median prime-time cume was 57.1 million

![Fox News at Daytime](chart.png)

**Design Your Own Chart**

Source: PEJ Analysis of Nielsen Media Research, used under license
viewers a month, up from 56.9 million a month in 2007. (Its mean gain was much the same, at 58.4 million in 2008, up from 55.8 million.)

All this marks something of a change in cable. For much of this decade, Fox News was growing its audience while MSNBC and CNN were flat or declining. That trend line has now shifted. All three channels are growing (although 2009 may tell a different tale), and in 2008, Fox News’s share of the market declined.

Three factors may have tended to limit Fox News’ audience growth in 2008. One is that Fox News is now available on most cable systems. It can no longer grow, as it did for most of the last decade, by simply becoming available in new homes as it was picked up by new cable providers.

Another possible limit to Fox News in 2008 was the news itself. Polls showed that Democrats were more excited by the race for president that dominated the news in the last two years than were Republicans, and thus tuned into cable to watch more of it. Those viewers, demographic data reveal, were not watching Fox News.

The third factor relates to programming. In 2008, the Fox News program lineup stayed much the same as it was in 2007. That stability may have in some ways inhibited attracting the scale of new viewership achieved by its rivals.

Still, with all that, Fox grew its median audience by roughly a quarter.

That stability in Fox News programming also may make sense. Six Fox News shows ranked among the top 10 in cable news ratings, according to data from Nielsen Media Research.

Of these, The O’Reilly Factor was once again No. 1. In November 2008, it averaged 3.8 million viewers, nearly double that of 2007.

Hannity & Colmes was second to O’Reilly, averaging 2.8 million viewers in November. (Colmes has since departed, leaving Hannity without a liberal foil.)

O’Reilly and Hannity were signed to multi-million-dollar contracts that will extend through the next presidential election year, 2012.

**CNN**

After years of audience declines, CNN gained ground in 2008.

It also continued to have the largest potential pool of occasional viewers.

Its challenge, as it has been, continues to be how to build a more loyal fan base around its programming and hosts, and not just around major events.

In prime time, CNN’s viewership grew by nearly half from a year earlier. It attracted a median audience of 1.05 million in 2008, up 43%, or 316,500 more viewers, over the previous year. Using the mean, the growth was even greater, up 68%, to 1.27 million (an increase of 513,800 viewers).
As with its rivals, daytime growth was more modest. Median daytime viewership grew 18%, to 571,000, up from 482,000 in 2007. The mean rose 29% to 626,800 (or by 141,500 viewers).
And its monthly cumulative audience grew by 10% to 72.3 million viewers. This is over 25% more than Fox News’ or MSNBC’s gains. (When measured in mean, cume increased by 14%, to 74 million, in 2008.)

If more people watch CNN over time, though fewer at any given moment, CNN can claim that it has a wider reach, even though Fox News programs are more popular. CNN has tried to use this metric to sell itself to advertisers despite Fox News’ advantage in ratings. But cume clearly has its limits. The cume data from CNN counts unique viewers as those who watch briefly, for as little as six minutes, in a month.

**CNN Programs**

Unlike MSNBC and Fox News, CNN’s programming did not tack in an overtly ideological direction in 2008. Among other evidence, this was documented in PEJ’s own content analysis of the general election coverage. According to the channel, this was an intentional move, designed to draw an audience that preferred news with less opinion.

The success of Anderson Cooper 360, a prime-time straight news show, seemed to bolster the argument that there was a market for this kind of cable news. In a sample month of November 2008, Anderson Cooper’s show ranked ninth for cable ratings, and was the only CNN show besides Larry King’s to make the top 10.
CNN’s sister channel, HLN, also had strong audience growth in 2008, and that continued to come on the backs of its prime-time personalities, Nancy Grace and Glenn Beck.

Although the future is not fully certain for HLN, strong ratings for Beck’s replacement, Jane Velez-Mitchell, in early 2009, indicated that efforts to hone its brand may pay off.

In 2008, HLN median prime-time audience rose 23% to 433,500 viewers. That beat the 18% jump the year before. Daytime median audiences grew 10% (to 258,000 viewers).

<table>
<thead>
<tr>
<th>Year</th>
<th>Prime-Time Audience</th>
<th>Daytime Audience</th>
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</thead>
<tbody>
<tr>
<td>2008</td>
<td>433,500</td>
<td>258,000</td>
</tr>
<tr>
<td>2007</td>
<td>353,000</td>
<td>235,000</td>
</tr>
<tr>
<td>2006</td>
<td>302,000</td>
<td>218,000</td>
</tr>
<tr>
<td>2005</td>
<td>307,000</td>
<td>244,000</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research used under license

Much of HLN’s ratings growth was thanks to the tabloid crime-oriented Nancy Grace Show, which more than doubled its audience over a year earlier. In November, Grace’s 8 p.m. program averaged 1.1 million viewers, up from 489,000 in November 2007.

In 2008, a replay of CNN’s program Lou Dobbs Tonight replaced Showbiz Tonight and became the second-highest-rated HLN Show. Lou Dobbs aired at the 9 p.m. slot, and attracted 483,000 viewers on average during November 2008. Showbiz Tonight at 11 P.M. grew 9% during the year to 414,000 viewers.

The loss of conservative commentator Glenn Beck to Fox initially looked like it could hurt HLN. In the third quarter of 2008, Beck’s last with the channel, his show was averaging 424,000 viewers. In November, Beck’s replacement, Jane Velez-Mitchell, was averaging 367,000 viewers.

But in early 2009, Velez-Mitchell’s program generated headlines with its strong audience numbers. In February, the show was averaging 596,000 viewers.

The Big Stories of 2008

One other question about the audience appeal of cable news was harder to resolve in 2008. Historically, cable news has
been the place for audiences to go for unexpected breaking news. In recent years, some evidence had suggested that the Internet was beginning to threaten cable's hold as the destination for this kind of journalism. The Web has features that allow it to compete for audiences who demand more timely information during major breaking news events. The Internet may allow viewers to get breaking news and have more control over what they see or learn than they have on cable.

The election, while a boon to cable, may not shed as much light on this question as some might expect. Elections are not typical of breaking news events. They are planned, not unexpected. They also play out over months, rather than occurring suddenly for intense but brief periods. And many of the key moments of elections are less events that happen that you want to learn about (a shooting, a bridge collapse, a sudden scandal, for example) than they are events that you want to witness for yourself (such as a speech, a debate, a convention). One feature of campaigns, election nights, possess a ritual quality, watching in groups to witness the results roll in that for some is a television habit.

All of this makes elections peculiar and perhaps well suited to cable, but does not address how the medium will work for more sudden and unexpected breaking news that will fill the next four years.

In 2008 there were relatively few big unexpected breaking news events. The financial crisis occasionally eclipsed campaign coverage in the fall of 2008, and audience levels rose considerably in September and October. This, however, could be attributed to increased interest in the campaign, which included the conventions, the nomination of a black candidate for the first time by a major party and escalating intensity as it neared the finish line.
It is possible that the cable business channels were the real ratings winners when it came to the financial crisis. While their audiences were much smaller than those of the cable news channels (Fox Business Network and Bloomberg Television ratings were usually too small to measure), they posted record viewership during key moments in the crisis. For more findings, see the specialty channels section.

The high ratings for cable news were fairly consistent through most of the year. January, August, September and October had sharp increases in audiences. January was the start of the primary campaign, and August through October featured the political conventions, debates, and the financial crisis. The turmoil on Wall Street including the collapse of Lehman Brothers financial services firm probably helped boost September ratings. During the August conventions, cable news beat the broadcast networks in ratings. And in October, the month leading up to the presidential election, cable news saw some of its strongest ratings since the beginning of the Iraq war in 2003. All of that suggests it is possible that cable may have regained momentum as a breaking-news destination, but it is also true that the Web gained substantially as well (see the Online chapter for more).

What these numbers may also reflect is the idea that cable has pulled more viewers than ever away from traditional
network broadcast news — ABC, CBS and NBC. To get firmer answers, 2009 may be important. How will the different television media and the Web fare in relation to each other in a more ordinary news year, if such a year is what awaits us?

For now, to get a deeper sense of this, it is worth taking a closer look at cable audiences and the election of 2008.

**THE 2008 ELECTION UP CLOSE**

Not only did all three major cable channels load their time with the campaign (see Content), but they advertised it, too. CNN bragged of having “The best political team on television.” MSNBC’s slogan was “The place for politics.” Fox News called itself “America’s Election Headquarters.” (For more discussion of how cable news positioned itself in the election year, see News Investment.)

Viewers responded in droves, pushing the cable channels ahead of their broadcast brethren on nights they used to dominate. During the Democratic convention in August, CNN easily beat out all the broadcast networks when 8 million viewers tuned in for Barack Obama’s acceptance speech. Fox News won the most ratings during the Republican convention that followed. The broadcast networks, however, won the ratings on debate nights. During the 10 p.m. hour, when the networks and the cable channels were all carrying the conventions, the networks still had the edge in audience, but the gap had narrowed from four years earlier. (See Network Audience for comparison figures.)

Cable News Average Viewership During Election Events

<table>
<thead>
<tr>
<th>Campaign Event</th>
<th>CNN</th>
<th>MSNBC</th>
<th>Fox News</th>
</tr>
</thead>
<tbody>
<tr>
<td>Super Tuesday (Feb. 5)</td>
<td>3,640,000</td>
<td>2,110,000</td>
<td>3,490,000</td>
</tr>
<tr>
<td>Democratic Convention (Aug. 25-30)</td>
<td>3,152,000</td>
<td>1,586,000</td>
<td>2,836,000</td>
</tr>
<tr>
<td>Republican Convention (Sept. 1-7)</td>
<td>2,413,000</td>
<td>1,111,000</td>
<td>4,186,000</td>
</tr>
<tr>
<td>First presidential debate (Sept. 26)</td>
<td>5,475,000</td>
<td>3,326,000</td>
<td>6,949,000</td>
</tr>
<tr>
<td>Vice-presidential debate (Oct. 2)</td>
<td>7,605,000</td>
<td>3,793,000</td>
<td>9,156,000</td>
</tr>
<tr>
<td>Second presidential debate (Oct. 7)</td>
<td>6,746,000</td>
<td>3,270,000</td>
<td>7,209,000</td>
</tr>
<tr>
<td>Third presidential debate (Oct. 15)</td>
<td>6,614,000</td>
<td>3,290,000</td>
<td>7,326,000</td>
</tr>
<tr>
<td>Election Day (Nov. 4)</td>
<td>12,292,000</td>
<td>5,888,000</td>
<td>9,027,000</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research on MediaBistro.com
Analysts wondered what would become of cable news audiences once the election was over. While this is a question for 2009, the initial evidence suggests cable might suffer.

In November and December, ratings dropped steeply at all three cable news channels. By the end of the year, CNN had lost 55% of the prime-time audience it held in October at the peak of the campaign. Fox News and MSNBC bled slightly less, but still lost 42% and 43%, respectively.

By January 2009, with a new administration entering the White House, audiences began to return to cable news. For the month, collectively 4.12 million people watched the three main cable news channels in prime time each night. That was 15% higher than January 2008 (3.57 million viewers).

By February 2009, the cable channels were still drawing greater audiences than a year before, though only by 5%. For the month, 4.39 million tuned in to the cable news channels during prime time, up slightly from 4.19 million in February 2008.

The wide fluctuation in cable audience stands in contrast to the three traditional broadcast network newscasts, which not only remained stable following the election, but even grew a little at the end of the year. The three network newscasts combined had an increase in prime-time viewership of 5% from November to December.

For cable, however, the numbers suggest that there are risks in focusing so narrowly on a single subject or news event.

**Cable News Audience Demographics**

In 2008, according to survey data, a stark political divide among viewers grew wider.

A survey conducted by the Pew Research Center for the People & the Press examined the correlations between ideology and cable news programming preferences. The survey inquired about specific programs, and not the channels themselves, so we have no way of knowing exactly what ideological types prefer which channels. But the limited number of top news programs included offers an insight into the news consumption habits of cable news audiences.

According to a survey, two Fox News programs led by conservative hosts, Bill O’Reilly and Sean Hannity, draw a majority conservative audience.

Audiences for O’Reilly’s show, The O’Reilly Factor, are 66% self-identified politically conservative and 3% liberal. Audiences for Hannity & Colmes (now hosted by Hannity alone) are 68% conservative and 7% liberal.

On the other channels, talk shows hosted by Lou Dobbs (CNN) and Chris Matthews (MSNBC) tend to draw audiences that mirror the public ideologically.

On MSNBC, Hardball With Chris Matthews draws an audience that is 26% liberal and 35% conservative.
On CNN, Lou Dobbs’ audience is 18% liberal and 38% conservative. Larry King Live — a CNN program often focused on celebrity interviews — draws an audience that is 30% liberal and 33% conservative.

Footnotes
1. We define daytime as 6 a.m. to 7 p.m., and prime time as 7 to 11 p.m. PEJ began collecting yearly data on HLN in 2007 (see more in respective section).

2. Six minutes per month, a very small amount of audience attention, is in line with standard cume measurement practices, according to a representative from Nielsen.

3. E-mail from Richard White of Fox News, January 9, 2009.

Economics
By the Project for Excellence in Journalism

Introduction
Record audiences for cable news translated into a strong financial performance in 2008.

Four points stand out:
- All three channels were expected to see gains in both profits and revenues.
- CNN and HLN, for the first time in four years, were expected to lead in both total profit and percentage growth.
- The election helped in two ways. Not only did it mean more viewers, but also record campaign ad spending, of which cable was a beneficiary.
- And cable may also have some insulation from the recession, too, that other media do not. Half of cable news revenue comes from license fees from cable systems, a source not as cyclical as advertising.

Profits and Revenues
The final 2008 figures for cable were not released until after this report was released, but most industry analysts projected cable news channels to increase profits at a substantial rate in 2008, despite the ailing American economy.

According to estimates by SNL Kagan, a leading financial research firm, the three major cable news channels were projected to earn a combined $1.05 billion in pre-tax profits in 2008, or 33% more than the $791 million estimate for the year before.

The projections are subject to revision, and even in strong economic times are often adjusted significantly after the year ends. The turbulent economy makes 2008 projections even more uncertain; the latest, revised projections were issued in December, but the full impact of the recession on cable may not be known for some time.
Still, analysts expected cable television and the Internet to weather the downturn better than other media.

CNN, whose figures include HLN, was expected to have the biggest growth in profits and remain the profit leader of the three channels. For the past three years, Kagan had projected that Fox News would overtake CNN in total dollars, only to have the projection fall short when actual profits were reported; 2008 was the first year in several that analysts had forecast that Fox News would not earn more than CNN.

Kagan’s December projections had CNN and HLN earning $470 million in 2008, up 35% from the $349 million they earned in 2007. Revenues were projected to grow 15% to $1.19 billion, up from $1.04 billion the year before.

Fox News was not far behind with projected profits of $447 million in 2008, up 30% from $343 million in 2007.

Not only was 2008 the first year since 2005 that Fox News was not projected to overtake CNN in profits, but it was also the first year in that time period that the channel would not see the greatest year-to-year percentage gain. Fox News revenues were projected to grow 22% to $1.06 billion up from $865 million in 2007. That was a greater percentage increase in revenue than expected at either CNN or MSNBC.

Cable News – Profits
2007 vs. 2008, in Millions of Dollars

<table>
<thead>
<tr>
<th>Channel</th>
<th>2007 Projected</th>
<th>2007 Revised (difference)</th>
<th>2008 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN &amp; HLN</td>
<td>336.9</td>
<td>349 (+12)</td>
<td>470.2</td>
</tr>
<tr>
<td>Fox News</td>
<td>347</td>
<td>343.2 (-4)</td>
<td>447.4</td>
</tr>
<tr>
<td>MSNBC</td>
<td>108</td>
<td>109.7 (+2)</td>
<td>135.4</td>
</tr>
</tbody>
</table>

Source: SNL Kagan, a division of SNL Financial LLC
Note: Numbers are estimates. Projections for the year 2007 were made in March of that year, while projections for 2008 arrived in December of that year.

MSNBC also was expected to post a significant jump in profit, though less of a jump than its rivals. Projections called for profits of $135.4 million in 2008, up 23% from $109.7 million the year before. The network earned 28% more in 2007 than in 2006.

After first turning a profit in 2004, MSNBC has had its profits multiply rapidly, and in 2006 it earned more than six times (565%) what it had in 2005.

Revenues were projected to grow 15% in 2008 to $347 million, up from $301 million in 2007.
Cable News Profitability
1997 – 2008, by channel

Design Your Own Chart
Source: SNL Kagan, a division of SNL Financial LLC
CNN figures include CNN Headline News; all figures are estimates

Cable News Revenue (Estimated)
2007 vs. 2008, in Millions of Dollars

<table>
<thead>
<tr>
<th>Channel</th>
<th>2007 Projected</th>
<th>2007 Revised (difference)</th>
<th>2008 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN &amp; HLN</td>
<td>1,024</td>
<td>1,035.3 (+11)</td>
<td>1,197.7</td>
</tr>
<tr>
<td>Fox News</td>
<td>834</td>
<td>864.7 (+31)</td>
<td>1,058.5</td>
</tr>
<tr>
<td>MSNBC</td>
<td>299</td>
<td>301.4 (+2)</td>
<td>346.6</td>
</tr>
</tbody>
</table>

Source: SNL Kagan, a division of SNL Financial LLC
Revenue Streams

Cable revenues come from two streams: advertising and subscriber fees. Even if the economic downturn leads ad revenues to fall short of predictions, subscriber fees paid by cable systems are expected to remain stable.

This may mean that over the next year subscriber fees may play a more important role in determining which cable channel comes out on top. As discussed below, CNN has traditionally had higher fee income. Fox News, though, recently raised its fee rate to levels comparable to CNN’s and is beginning to reap those benefits.

![Cable News Revenue Streams (Estimated)](chart)

**Design Your Own Chart**

Source: SNL Kagan, a division of SNL Financial LLC

CNN figures include HLN
Subscriber Revenues

Subscriber fees come to cable channels indirectly from viewers. The channels are paid the fees by cable systems (in exchange for their programs), which in turn recoup that money in cable bills to consumers. The amounts of those fees are negotiated with the cable systems based on an estimate of how many subscribers the system will have during the life of the agreement.

The highest fees are typically paid for sports and general entertainment channels. The highest is the $3.26 per subscriber per month, commanded by ESPN.

Among the news networks, CNN, the oldest all-news cable channel, has drawn the highest fees. In 2008, CNN received a fee equal to 47 cents per subscriber. It was projected to make $550 million in fees, a 6% increase over the previous year.

Fox News, however, was catching up – a reflection of its ratings growth it enjoyed over recent years. It was charging an average fee estimated to equal 42 cents per subscriber, a 7-cent jump from 2007.

Fox News increased its subscriber revenue by slightly less than a quarter, the biggest jump of the three networks. In 2008, it was projected to get $475 million, a 22% increase over the $389 million in 2007.

The reason behind the rise in Fox News’ fees is that many of its contracts came due in recent years. With those contracts looming, Fox News made a concerted effort to negotiate higher fees from the cable systems, having established itself in the cable news world. By virtue of the increase fees, the channel was finally beginning to reap the benefits of its ratings growth. Long-term deals call for Fox News’s fees to eventually rise to 75 cents, according to Multichannel News. 2

When MSNBC started in 1996, its fee per subscriber was 13 cents a month. In 2000 it inched up to 15 cents, where it now remains, the lowest among the three channels by a significant margin. That reflects its third-place ranking in ratings, although its ratings gains in recent years could eventually cause its fee to creep up.

MSNBC was expected to see 6% growth in license-fee revenue, $171 million in 2008, up from $161 million the year before.

In 2008, the three cable news channels were projected to have nearly the same reach, with 90 million to 100 million subscribers each. Fox News was projected to have an average of 94.3 million subscribers, MSNBC was projected to average 92.1 million, and CNN, 97.5 million. 3
Advertising Revenues

The other big revenue source for cable channels is advertising. Cable news channels do not earn as much from advertisers as the broadcast networks or some sports or niche entertainment networks. In large part, this is because the ratings for cable news for any one program are fairly low. The highest-rated cable show, Bill O'Reilly, is still only about a quarter of that of the lowest-rated evening network newscast, the CBS Evening News With Katie Couric, for instance, and most cable programs are only a fraction of that.
For example, if Nielsen estimates that 1 million people watch Fox News on a given day, a 30-second ad would cost $4.06 times a thousand (or $4,060 per ad). These costs vary depending on the show and day part.

In general, analysts view advertising as having greater potential than subscriptions for long-term growth. That is because it is harder to sign new cable subscribers, or get existing ones to pay substantially more each month for the cable bill, than to generate more ad revenue.

All the cable news channels posted ad revenue gains in 2008 of about 30% from 2007. But Fox News was projected to maintain the lead it developed for the first time in 2007 over CNN/HLN.

Cable News – Net Ad Revenue*
2000-2008, in Millions of Dollars

<table>
<thead>
<tr>
<th>Channel</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN &amp; HLN</td>
<td>412.8</td>
<td>445.9</td>
<td>359.8</td>
<td>399.2</td>
<td>317.4</td>
<td>375.9</td>
<td>399.0</td>
<td>427.5</td>
<td>556.3</td>
</tr>
<tr>
<td>Fox News</td>
<td>51.2</td>
<td>59.9</td>
<td>109.8</td>
<td>208.6</td>
<td>257.0</td>
<td>345.3</td>
<td>388.3</td>
<td>459.2</td>
<td>566.9</td>
</tr>
<tr>
<td>MSNBC</td>
<td>138.8</td>
<td>115.7</td>
<td>98.4</td>
<td>113.1</td>
<td>111.0</td>
<td>106.4</td>
<td>116.6</td>
<td>135.4</td>
<td>172.7</td>
</tr>
</tbody>
</table>

Source: SNL Kagan, a division of SNL Financial LLC
Note: Net Ad Revenue refers to revenue generated after discounting the commission that goes to advertising agencies. Figures for 2008 are projections.

A year earlier, when the final numbers for 2007 arrived in March 2008, they showed that, after years of analyst
projections that Fox News would beat CNN in ad revenues, it had finally done so. In 2008, the new projections expected Fox News to stay ahead. Fox News was expected to bring in $567 million in advertising revenue, a growth of more than 23% over the $459 million in 2007.

Kagan projected that CNN would end the year with $556 million in ad revenues, up 30% from $428 million in 2007. MSNBC, which has the smallest share, did better than expected in 2007. And analysts projected that ad revenues would grow by 28% to $173 million, in 2008, up from the $135 million the year before.

Some of these gains came from political advertising in a high-spending year that benefited a number of media sectors. The cable news channels together took in 200% more campaign advertising revenue in 2008 than in 2004.

Political advertising spending across media sectors was tallied at $2.5 billion to $2.7 billion by the ad measurement company TNS Media Intelligence. Television, particularly local stations, which offer targeted geographic audiences, took the largest share, $2.2 billion, which is consistent with recent elections. National cable, including the cable news channels, which target demographic groups more effectively, also did well. Combined with the national networks, it received the second-largest amount of political ad dollars, approximately $200 million, according to Evan Tracey, president of TNS’s Campaign Media Analysis Group. 4 The rest of the ad spending went to print, radio, online and local cable.

Among national cable networks, the news channels did particularly well. Tracey’s group estimated in September 2008 that the cable news channels would bring in a combined $30 million to $35 million in campaign advertising by the end of the election cycle. When compared to the $11 million taken by these channels during the 2004 race, the percentage growth is more notable than the overall amount. 5

The news channels were also reported to have benefited from issue-driven advertising that piggy-backed on the election season. According to Tracey, interest groups like AARP, the American Cancer Society and the Gates Foundation, as well as the alternative-energy advocate and oil tycoon T. Boone Pickens, spent tens of millions of dollars, much of which flowed to the cable news channels. 6

Three elements may have helped cable increase its political advertising income. First, cable programming was so heavily focused on the election campaign that advertisers considered it a particularly good place to reach voters. Tracey noted that cable news attracts the type of audience most inclined to make political donations, and this is part of the appeal for campaigns when they decide where to place ads. 7

Second, cable now competes in the local ad markets of many cities, taking some ad revenue away from local television stations (see Local TV chapter for more on this). And with lots of candidate money to spend but limited places to spend it, cable may have benefited from the overflow dollars that could not find room on local broadcast television.

Third, the cable industry’s inherent ability to reach niche audiences makes it an ideal venue for political campaigns that wish to micro-target their messages to certain audiences. For example, in July 2008, the advocacy group MoveOn.org Political Action, which supports liberal candidates, paid for a pro-Obama cable television ad on MTV and Comedy Central. The ad, entitled “It Could Happen to You,” featured Rider Strong of “Boy Meets World” and Amber Benson of
“Buffy the Vampire Slayer.” The ad was designed to use humor to appeal to the two channels’ generally younger audiences.

**Footnotes**

1. In past years, Kagan estimates were provided in March of the year in review, nearly a year before the report is released. This time, Kagan revised its figures on a monthly basis, the latest of which arrived at the end of December 2008.


3. Cable subscribers do not necessarily translate into cable viewers, of course, and not all viewers of cable news are subscribers. This is why the cable news channels, though roughly equivalent in number of subscriptions, do not generate the same amount of advertising revenue.


**News Investment**

News Investment
By the Project for Excellence in Journalism

**Introduction**

The election year brought big changes to cable news, not just in the content but also in branding. CNN and Fox News both increased their overall spending by much greater percentages than MSNBC. But MSNBC gained perhaps the most attention for what it did with the little resources it had.

MSNBC built on the ratings success of its liberal hosts by adding Rachel Maddow. But some critics also questioned whether the channel’s ideological take on the news was carried too far. Fox News, the favorite of conservatives, extended the contracts of its most popular personalities and signed like-minded Glenn Beck, who had been at HLN.

And evidence in a 2008 PEJ study confirmed the sense that the three channels now offer three distinctly different products: candidates and pundits favored the channel that complimented their partisan outlook, and shunned the other (see Content chapter).

CNN fell in the ideological middle, and was the only cable channel that mirrored the tone of the media in general.

Other trends were reflected in the organizations’ budgets:
- All three major cable news channels appeared to continue to increase their investment in newsgathering during the year. The numbers were projected to increase even more in 2009.

- CNN continued to lead in overall spending, bureaus and international reach, although this also reflects the needs of CNN International. It also expanded that reach in 2008 by establishing one-person bureaus in 10 cities, upending the traditional bureau system.

- MSNBC had the lowest expenses of the three channels, relying on its parent NBC for much of its newsgathering, and, with little administrative overhead, had the smallest percentage increase in spending of the three.

- Fox News, whose newsgathering resources by the broadest measures may be the smallest of the three, continued to build.

![Overall Expenses, All Cable News Channels (Estimated)](chart.png)

*Includes programming as well as general/administrative expenses
Investing in the News

The major cable news channels together were projected to invest $1.5 billion in the news last year, a 7% increase in spending from $1.4 billion the year before.

CNN, combined with sibling HLN, was projected spend the most, $721.5 million, up 5% from $686.3 million in 2007. That is 18% more than its nearest cable rival.

Cable News Total Spending* (Estimated)
2007-2008, in Millions of Dollars

<table>
<thead>
<tr>
<th>Channel</th>
<th>2007 Projected</th>
<th>2007 Actual</th>
<th>2008 Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN/HLN</td>
<td>686.8</td>
<td>686.3</td>
<td>721.5</td>
</tr>
<tr>
<td>Fox News</td>
<td>486.6</td>
<td>521.4</td>
<td>611.1</td>
</tr>
<tr>
<td>MSNBC</td>
<td>191.1</td>
<td>191.7</td>
<td>211.2</td>
</tr>
</tbody>
</table>

Source: SNL Kagan, a division of SNL Financial LLC
*Note: Includes programming as well as general/administrative expenses

Cable News Staffing (Self-Reported)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN/HLN</td>
<td>4,000</td>
<td>4,000</td>
<td>36</td>
<td>46*</td>
</tr>
<tr>
<td>Fox News</td>
<td>1,200</td>
<td>1,200</td>
<td>12</td>
<td>17</td>
</tr>
<tr>
<td>MSNBC</td>
<td>600**</td>
<td>600**</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*CNN calls its bureaus “editorial operations,” which include its addition of all-platform journalists to some new cities in 2008
**MSNBC did not report a staff number for 2008 to PEJ. They also share bureau resources with NBC News.
Fox News was expected to spend $611 million in 2008, up 17% from $521 million the year before. Although it has fewer bureaus and staff than CNN, it has built a newsgathering operation outside of its well-known slate of opinion-oriented programming.

<table>
<thead>
<tr>
<th>Cable News Domestic Bureaus, 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN/HLN Atlanta</td>
</tr>
<tr>
<td>Atlanta</td>
</tr>
<tr>
<td>Boston</td>
</tr>
<tr>
<td>Chicago</td>
</tr>
<tr>
<td>Dallas</td>
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<td>Denver</td>
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<td>Los Angeles</td>
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<td>New Orleans</td>
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<tr>
<td>New York</td>
</tr>
<tr>
<td>Orlando</td>
</tr>
<tr>
<td>San Francisco</td>
</tr>
</tbody>
</table>

Source: The channels.
Note: MSNBC uses NBC News bureaus. CNN calls its bureaus "editorial operations/bureaus."
MSNBC, as in past years, was projected to invest the least in the news in 2008. The channel shares the extensive resources of NBC News in its New York headquarters, where they also share space. In 2008, MSNBC was projected to spend $211 million on the news, 10% more than the $192 million it spent in 2007. The channel has no bureaus of its own.

To see how that money is spent, it is useful to break down the resources inside each channel.  

<table>
<thead>
<tr>
<th>CNN/HLN</th>
<th>Fox News</th>
<th>MSNBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latin America</td>
<td>Latin America</td>
<td>Latin America</td>
</tr>
<tr>
<td>Bogota</td>
<td></td>
<td>Havana</td>
</tr>
<tr>
<td>Buenos Aires</td>
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<td></td>
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<td>Havana</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mexico City</td>
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<td></td>
</tr>
<tr>
<td>Santiago</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
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<td>Europe</td>
</tr>
<tr>
<td>Berlin</td>
<td>Paris</td>
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<td>Rome</td>
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<td>Rome</td>
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<td>Nairobi</td>
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<td>Asia</td>
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<td>Bangkok</td>
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<td>New Delhi</td>
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</tr>
<tr>
<td>Tokyo</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: The channels.
Note: MSNBC uses NBC bureaus. CNN calls its bureaus “editorial operations/bureaus.”
Launched in 1980, CNN was the first American all-news cable channel, and it continued to be the most global and have the largest infrastructure. CNN and HLN in 2008 had nearly 4,000 employees worldwide, and CNN had 13 bureaus in the United States and 33 abroad (HLN has no independent bureaus).

### CNN and HLN Expenses (Estimated)
2006-2008, in Millions of Dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Expenses</th>
<th>Programming Expenses</th>
<th>General/Admin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>654.1</td>
<td>273.7</td>
<td>380.4</td>
</tr>
<tr>
<td>2007</td>
<td>686.3</td>
<td>288.8</td>
<td>397.5</td>
</tr>
<tr>
<td>2008</td>
<td>721.5</td>
<td>310.4</td>
<td>411.0</td>
</tr>
</tbody>
</table>

Source: SNL Kagan, a division of SNL Financial LLC

### CNN Staffing

Getting a breakdown of how many of the 4,000 CNN employees are engaged in gathering news is more difficult. The network does not break that number down.

One rough proxy for news staff is to examine the numbers that CNN provides to the News Media Yellow Book, a quarterly publication that lists staff contacts for leading news media organizations in the United States. This list is self-reported by CNN. The people listed are all news people, including top management, staff assigned to various desks such as national, international, and medical, as well as nine national bureaus, staff assigned to specific national programs, such as Lou Dobbs Tonight or Anderson Cooper 360. (It does not include technical, sales and promotional staff.)

But the list does offer some sign of year-to-year changes. The number of CNN staff in the spring 2008 edition, which represents 8% of the network’s reported overall staff, was up 7% from 2007. (It is only 3% higher than in 2005, when PEJ began logging the data, which suggests that CNN’s core news staffing has remained relatively steady over recent years.)

CNN’s number of bureaus rose in 2008, from 36 to 46, with 13 domestically and 33 abroad.

One major development in the bureau system was the decision to expand the number of one-person outposts for domestic coverage in 2008. In August 2008 the news channel announced the creation of what it called “all-platform journalists” in 10 U.S. cities. They were assigned to Philadelphia; Seattle; Columbus; Denver; Houston; Las Vegas; Orlando; Phoenix; Raleigh; and Minneapolis. Some staff were relocated from existing CNN bureaus (see below for more on the new journalists)

These all-platform journalists are equipped with cameras and equipment to edit and transmit live from the scene of news. The idea was to expand the reach of the network without incurring the cost of a traditional bureau staffed with
reporters, producers, camera and sound crews and support staff.

The new, "one-man-band" journalists will double the number of American cities in which CNN correspondents are posted. "Technology is allowing us to pare down to that one person who can deliver the product," said Nancy Lane, senior vice president for newsgathering for CNN/U.S. 3

CNN Programming

Besides the all-platform journalists, another development in the CNN newsroom in 2008 was the intensified focus on an even smaller range of subject matter, something introduced by its rivals as well. That meant an emphasis on politics above all other matters. In January, just after the primary season had begun, CNN premiered CNN Election Center in its 8 p.m. weekday prime-time slot, where Out In the Open with Rick Sanchez had been.

The Associated Press quoted the CNN/U.S. president, Jonathan Klein, as saying about the new show, “There is no question that this political campaign is bewitching viewers. We’re having so much fun covering it that we wanted to do more of it on the air." 4 After the election, Election Center was replaced by Campbell Brown’s new show, No Bias, No Bull. Brown’s program, fashioned around the concept of holding politicians accountable for their actions, appeared to resonate with audiences in the months following the election.

Sanchez was given a weekday afternoon slot as host of CNN Newsroom. There, Sanchez introduced Twitter, the online social networking tool, into the show. With it he invites listeners to "become part of the conversation" by posting comments he reads on the air.

CNN’s morning show, American Morning, faced stiff competition from MSNBC’s successful Morning Joe in 2008. In March, American Morning’s host, John Roberts, spoke about the show’s future, saying it would include more ad-libbing and a slightly looser format, echoing the formula that contributed to Morning Joe’s success.
There were also changes at HLN. In 2005, the channel replaced its typical headlines-only “wheel” format with prime-time programs. It maintained a steady lineup through 2006 and 2007, led by the conservative talk show host Glenn Beck at 7 p.m. in the East and Nancy Grace’s justice-themed interview/debate show at 8 p.m. That prime-time programming was shaken up in October when Beck, who was up for a contract renewal, was signed by Fox News to start a 5 p.m. program as well as a weekend show.

After Beck’s departure, HLN put a new show in his old slot called Issues With Jane Velez-Mitchell. Velez-Mitchell’s program expands on the courtroom-related themes that appear in Grace’s.

**MSNBC**

MSNBC began as a joint venture between NBC News and Microsoft in 1996, and was taken over exclusively by NBC in 2006. From the start, it had relied on its bigger corporate sibling for resources. The news channel offered a way to amortize the cost of NBC newsgathering across more platforms and programs. But for years, with ratings low, the expenses were kept on a leash. Now, with ratings rising, things have loosened up a bit.
SNL Kagan projected that MSNBC would spend $211 million overall on the news in 2008, less than a third of what CNN spends, but still up 10% from the $192 million the year before. Those figures, however, are somewhat deceptive. MSNBC’s overall expenses are illustrative of the extent to which it borrows newsgathering resources from NBC News. That reliance can be seen particularly in looking at the category of expenses not tied to producing specific programs, its more general newsgathering expenses. In 2008, MSNBC was projected to spend $46 million on selling, general and administrative costs, just 22% of its total spending.

MSNBC Expenses 2006-2008, in Millions of Dollars (Estimated)

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<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tbody>
<tr>
<td>Total Expenses</td>
<td>186.5</td>
<td>191.7</td>
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<tr>
<td>Programming Expenses</td>
<td>138.4</td>
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<td>164.3</td>
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<tr>
<td>General/Admin.</td>
<td>48.1</td>
<td>45.7</td>
<td>46.9</td>
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Source: SNL Kagan, a division of SNL Financial LLC

MSNBC Staffing

MSNBC has no domestic bureaus of its own, relying on NBC, which had six in 2008.

As with CNN, one measure of MSNBC’s core news staff is the News Media Yellow Book tally, which gauges, if imperfectly, the annual changes at the channel. According to the spring 2008 edition, MSNBC news staffing (it listed 6% of MSNBC’s overall staff) was down 8% from 2007. These Yellow Book numbers, however, are self-reported and only partial. They represent only a fraction of the 600 total staffers that MSNBC identified as its payroll for 2007 (2008 staff numbers were not provided by MSNBC), although it is unclear, as with the others, how many of these are newsgathering staff.

MSNBC Programming

The most talked-about programming development of 2008 involved a prime-time switch. In September, MSNBC gave liberal Air America radio talk show host Rachel Maddow her own show, bumping The Verdict With Dan Abrams from its 9 p.m. slot. The decision drew an increase in ratings (see audience), but was criticized by some as moving the network farther to the left, a formula that, nevertheless, may pay off in the long run for MSNBC.

Maddow, who had been serving as an MSNBC commentator, had been a favorite guest on Keith Olbermann’s show, which now precedes her program.

The schedule shift was Abrams’ second in 2008, after the show’s first incarnation as Live With Dan Abrams. (Abrams remained at MSNBC as a legal analyst.)
<table>
<thead>
<tr>
<th>Time</th>
<th>Program</th>
</tr>
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<tbody>
<tr>
<td>6 a.m</td>
<td>Morning Joe</td>
</tr>
<tr>
<td>7 a.m</td>
<td>Morning Joe</td>
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<tr>
<td>8 a.m</td>
<td>Morning Joe</td>
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<tr>
<td>9 a.m</td>
<td>MSNBC Live</td>
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<td>10 a.m</td>
<td>MSNBC Live</td>
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<td>11 a.m</td>
<td>MSNBC Live</td>
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<td>12 p.m</td>
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<td>1 p.m</td>
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<td>3 p.m</td>
<td>MSNBC Live</td>
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<tr>
<td>4 p.m</td>
<td>MSNBC Live</td>
</tr>
<tr>
<td>5 p.m</td>
<td>Hardball with Chris Matthews</td>
</tr>
<tr>
<td>6 p.m</td>
<td>Race for the White House*</td>
</tr>
<tr>
<td>7 p.m</td>
<td>Hardball with Chris Matthews replay</td>
</tr>
<tr>
<td>8 p.m</td>
<td>Countdown with Keith Olbermann</td>
</tr>
<tr>
<td>9 p.m</td>
<td>The Rachel Maddow Show</td>
</tr>
<tr>
<td>10 p.m</td>
<td>Countdown (replay)</td>
</tr>
<tr>
<td>11 p.m</td>
<td>Rachel Maddow (replay)</td>
</tr>
<tr>
<td>Midnight</td>
<td>Hardball (replay)</td>
</tr>
<tr>
<td>1 a.m</td>
<td>Hardball (replay)</td>
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<tr>
<td>2 a.m</td>
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</tr>
<tr>
<td>3 a.m</td>
<td>Hardball (replay)</td>
</tr>
<tr>
<td>4 a.m</td>
<td>Hardball (replay)</td>
</tr>
<tr>
<td>5 a.m</td>
<td>First Look</td>
</tr>
</tbody>
</table>

Source: MSNBC website
Note: All times Eastern
* After the November 2008 election, Race for the White House was replaced by 1600 Pennsylvania Avenue.

With eyes turned to the presidential race in 2008, MSNBC’s programming and content strategies received a lot of attention.

Much of this focused on the role of MSNBC’s opinionated talk show hosts as the marquee figures at the cable channel.

Early in the year, MSNBC President Phil Griffin had given two of the network’s most popular prime-time talk show hosts
the job of anchoring MSNBC's primary nights and convention coverage: Keith Olbermann, whose on-air commentaries frequently feature a liberal bent, and Chris Matthews, who worked as a staffer to several Democratic lawmakers and ran unsuccessfully in 1974 for a Democratic congressional seat in Pennsylvania. (Matthews considered running for the Senate in 2010 but told his staff later that he would not make the run.)

Using partisan talk show hosts as anchors was a departure from the traditional practice of leaving anchor duties to straight-news personalities who mediate between commentators. The network's leftward lean raised the ire of conservatives.

During the Republican convention, the McCain campaign publicly criticized Olbermann for on-air comments he made as anchor. Olbermann had criticized a Republican video tribute to the victims of the New York September 11 attacks, saying that the video was “exploiting the memories of the dead.”

Other incidents also drew concern, not just for their partisan tinge, but for the squabbling tone they conveyed. When Joe Scarborough, a former Republican congressman and now an MSNBC morning show host, praised the McCain campaign for what appeared to be a comeback, Olbermann mocked him on the air. Olbermann's words, “Jesus, Joe, why don’t you go get a shovel?” prompted an awkward onscreen argument.

Former NBC anchorman Tom Brokaw soon criticized the two pundits' coverage. At a panel in Denver, where the Democrats held their nominating convention, Brokaw said that both Olbermann and Matthews had "crossed the line" in their coverage. Brokaw, according to some sources, was a major catalyst in the decision by Jeff Zucker, the head of NBC, to remove them from the anchor role (see Ownership for more).

In making that change, Zucker reiterated separate and different identities at the two channels. (Olbermann and Matthews were returned to the anchor seat, however, during MSNBC's coverage of the presidential inauguration in January 2009.)

At the same time, NBC news correspondents and analysts continued to be a major part of MSNBC programming. In March of 2008, the network canceled Tucker, its 6 p.m. weekday prime-time show, and replaced it with Race for the White House with David Gregory. Once Gregory was tapped in November to host Meet the Press, Washington correspondent David Shuster took his place at MSNBC. NBC foreign affairs correspondent Andrea Mitchell was also given an anchor role for MSNBC's weekday coverage from 1 to 2 p.m.

Other NBC correspondents, including Brian Williams, Chuck Todd and Tom Brokaw, continued to appear as guests on the cable sibling, as well.

All this raised some questions about whether viewers recognized the different brands, and whether that helped or hindered the larger corporate strategy that NBC once hoped for — extending the NBC brand across multiple platforms (see Ownership). For MSNBC, however, the future seems fairly clear for now. After years of struggle with ratings, it has found traction with an ideological approach, and hosts like Olbermann are likely to be at the center of things, if not necessarily in the anchor chair. In November, his contract was extended for four years, through the 2012 presidential election.
Fox News

Fox News entered the U.S. cable news scene at the same time as MSNBC, in 1996, but without the larger corporate support. In the past 12 years, as it built itself into the ratings leader, the channel has continued to increase its spending on newsgathering.

According to Kagan estimates, the bulk of Fox News’ spending was projected to be in its programming, as opposed to its general newsgathering and administrative costs. (The reverse is true for CNN). That appears to reflect the fact that the Fox News is built less around a system of bureaus internationally and domestically and more around prominent show hosts, particularly in prime time.

Fox News Expenses (Estimated)
2006-2008, in Millions of Dollars

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<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tbody>
<tr>
<td>Total Expenses</td>
<td>472.5</td>
<td>521.4</td>
<td>611.1</td>
</tr>
<tr>
<td>Programming Expenses</td>
<td>316.3</td>
<td>354.2</td>
<td>432.2</td>
</tr>
<tr>
<td>General/Admin.</td>
<td>156.2</td>
<td>167.2</td>
<td>178.9</td>
</tr>
</tbody>
</table>

Source: SNL Kagan, a division of SNL Financial LLC

Fox staffing

In terms of its on-the-ground operations, Fox News had 11 domestic bureaus in the U.S. in 2008 and it lists six international bureaus – in Hong Kong, Paris, Rome, Jerusalem, London and Moscow. In 2008, there were 1,200 total employees at Fox News’s U.S. operations, according to the network’s own reporting. PEJ's analysis of the spring 2008 News Media Yellow Book found that the number of people it listed in 2008 represented 18% of the reported overall staff. The Yellow Book total was 16% higher than Fox News listed in 2007.

Fox Programming

In 2008, there were a few changes in personnel at Fox News, an exception for the channel’s steady lineup, which continued to bring in the highest ratings among all the cable news channels.
Of the few programming changes made by Fox News, the main one capitalized on heightened interest in the election. America's Election HQ took over for The Big Story With Gibson & Nauert in the 5 p.m. weekday slot.

Glenn Beck, the conservative host for HLN, left that channel in October and began his new program on Fox News in January 2009.

Two of Fox News' most popular personalities, Sean Hannity and Bill O'Reilly, signed contracts in October that will keep them with the cable network through 2012.

In November, it was announced that Alan Colmes, Hannity's liberal counterpart, would leave the show they co-hosted at the end of 2008. In December, it was announced that Hannity would remain on the show as its sole host.
And one of the network’s mainstays, anchor Britt Hume, retired after 12 years with Fox News and 35 years in journalism. The channel’s chief White House correspondent, Bret Baier, took over in his spot at Special Report.

Footnotes

1. Media research firm SNL Kagan divides its projected total spending into two main categories: selling, general and administrative, and programming expenses. General and administrative accounts for the overhead required to run the channel generally, such as bureaus and correspondents not tied to any specific show. Programming expenses refer to costs directly attributable to the production of specific programs. There is, however, enough flexibility in how channels can account between the two categories that the larger, aggregated figures, tell a more accurate story.


Ownership

Ownership
By the Project for Excellence in Journalism

Introduction

In a year when the cable channels largely defined themselves around the 2008 presidential campaign, the corporate owners of MSNBC and Fox News got immersed in the political identity of its news channel while CNN’s owner looked for ways to further its brand.

MSNBC’s more partisan tone drew strong ratings success, but created friction with the journalistic sensibilities at NBC News. The complaints eventually reached General Electric (GE), the owner of both organizations.

Fox News, owned by media mogul Rupert Murdoch, performed well as a crown jewel in News Corp.’s businesses. Still, with Murdoch’s investment in newspapers and digital properties, there were questions raised about his affection for the conservative news channel he launched.

Time Warner, the parent company of CNN, took steps toward strengthening its content arms and scaling back from its
ancillary businesses. This resulted in the creation of a new wire service and the spinoff of Time Warner Cable, its cable television distributor.

The parent companies of the three major cable news channels were not untouched by the U.S. recession, but the channels themselves stood out by the year’s end as profitable highlights in the otherwise hard-hit portfolios of GE, News Corp., and Time Warner.

**MSNBC**

*Tensions Over Brand*

MSNBC’s reliance on left-leaning hosts, such as Olbermann and Maddow, attracted viewers, but it also created differences with the NBC news tradition of nonpartisan reporting. Tensions got so high that the corporate parent, General Electric, eventually got involved.

Early in the year, NBC executives sounded enthusiastic about the notion that MSNBC would become, over time, the news brand of the company.

Following the union of the two news operations in 2007, NBC Universal president and CEO Jeff Zucker looked forward to the further merging of MSNBC and NBC in 2008. “The definition of NBC News is really changing,” Zucker told the Harvard Business School’s annual Entertainment and Media Conference in February 2008, “and it’s becoming more MSNBC and MSNBC.com.”

Phil Griffin, the president of MSNBC, talked excitedly about synergy and the increasing appearances of NBC correspondents on MSNBC. “I wish this had happened years ago…. You have everybody interacting,” Griffin said.

But that notion might be easier to talk about than to execute. In both content and staff, MSNBC in 2008 was becoming a news brand increasingly tied to opinion and attitude, particularly opinions that reflected a liberal or Democratic point of view. Those leanings were documented in content studies of the channel during the election (see Content for more).

What seemed in January a clever strategy soon was creating tensions between the MSNBC and NBC brands, and problems within General Electric itself.

At an annual dinner for Washington-based NBC News personnel, NBC correspondent Andrea Mitchell complained to GE chief executive Jeffrey Immelt about the opinionated MSNBC hosts anchoring the conventions, according to one report.

Griffin initially publicly defended the news channel as well as the NBC news brand, arguing that Olbermann and Matthews knew where to draw the line between opinion and straight reporting, but ultimately both were removed from the anchor chairs in the midst of the Republican convention. Fox News denied the story.

Murdoch himself entered the feud when he asked Olbermann to cancel his plan to air footage of an activist protesting outside O’Reilly’s home. The footage was not aired.
By the end of 2008 Olbermann and Matthews still had their own shows and were joined by another liberal, Rachel Maddow. (Gregory, meanwhile, had been named host of Meet the Press, the job held by Tim Russert before his death several months earlier.)

**NBC Acquisitions**

Aside from the branding tensions over MSNBC, NBC Universal added to its properties during the year. In July, it signed a deal to buy The Weather Channel from Landmark Communications for $3.5 billion, in partnership with two private equity firms.  

Immelt explained why it made sense to partner with the firms, Bain Capital and Blackstone Group. “If you like investing in cable the way I do, every now and then I like getting a couple of validation points to say here’s what you ought to be paying, and you get two of the shrewdest guys in the world helping you validate it because we’re not done doing cable deals.”

In September, NBC Universal forged an agreement with Google. In the arrangement, NBC would allow the Web giant to sell television advertising on NBC’s channels, capitalizing on the company’s record of targeting and customizing ads for niche audiences.

NBC Universal reported a 6% drop in profits for the fourth quarter of 2008, echoing a pattern caused by the troubled economy. These losses, however, were not nearly as deep as those experienced by NBC Universal’s parent company, GE, which saw a 46% drop in earnings in the fourth quarter.

MSNBC was one of the bright spots in the otherwise dismal quarter for its parent. The official statement from GE was that “strong cable earnings were offset by declines in local stations.”

**CNN**

In a year of relative success and fairly limited controversy at CNN, strategic shifts were taking place at its corporate parent that appeared to further boost the prominence of its news operations. With a new corporate president, the sale of Time Warner Cable and the announcement of a new CNN wire service, CNN headed into 2009 with its news mission solidly in the forefront.

Time Warner Company, CNN’s parent, got a new president and chief executive officer, Jeffrey Bewkes, on Jan. 1, 2008. Bewkes’ vision from early on was to concentrate on developing the company’s network, entertainment and publishing arms, the ones that produce content rather than distribute it. The impact at CNN included more attention to its brand promotion as an independent, nonpartisan news source as well as investment in content-gathering capacities.

Some analysts suspect the strategy, carried to its logical conclusion, could lead to a sale of the company’s Internet portal, AOL. That would allow Time Warner to focus on building brands and creating stronger content through its movie, television and publishing arms. A former Time Warner executive was quoted by Advertising Age in August 2008 as having said that Bewkes “has the view his core business is content and production. Distribution assets are not strategic in that world view.”
One of Bewkes’ first actions, however, seemed to contradict that. In March, its AOL division purchased the European social networking website Bebo for the princely sum of $850 million.

When asked if the price tag of $850 million was too much, AOL chief executive Randy Falco argued that on the contrary, when compared to Microsoft’s payment of $240 million for a 1.6% stake in Facebook, the purchase of Bebo was a prudent investment.

The acquisition of Bebo notwithstanding, Bewkes’ vision of content production over distribution soon began to take shape.

On April 30, Bewkes announced the spinoff of Time Warner Cable, one of the biggest cable distribution companies in the country and one with solid financials. But Bewkes reasoned that without a cable operation, Time Warner could focus more on its natural strengths in television and film operations, which include Warner Bros., Time Inc., HBO, and Turner Broadcasting, the Time Warner division that is the parent of CNN.12

The spinoff was slowed down by regulators, and was not yet complete as of early March 2009.

At the same time as it was getting rid of its cable company, Time Warner appeared to be seeking ways to bulk up on content providers. Some sources, including BusinessWeek, which had interviewed Time Warner CFO John K. Martin, reported that Time Warner may be interested in purchasing Scripps Networks Interactive, which owns the Television Food Network and Home and Garden Network.13

Finally, one of the clearest indications that Bewkes’ interest in nurturing Time Warner’s content-producing arms was going on at CNN. In August, the network announced it would be expanding its domestic newsgathering by placing “all-platform journalists” in 10 city bureaus around the country. These journalists are designed to report local news for CNN cable, Internet and radio affiliates as well as serve as a source for local newspapers. CNN, then, seems to be trying to work its way into the local market as well. This comes at a time when many media analysts are telling newspapers and local television that their best opportunity to survive is to be hyperlocal.

CNN took another big step in its content development: plans for the creation of CNN News Wire. It expanded the internal system that, according to former CNN senior Washington correspondent Charles Bierbauer, CNN has long used as an internal wire to provide information to all CNN properties. A test run of the service was conducted in several newspapers in November, and several newspapers announced in December that they planned to abandon the Associated Press. The CNN service is designed to provide national and international news to local newspapers and radio stations around the country. It will compete directly with the AP, which, funded by newspapers themselves, has long dominated American wire coverage.

As local newspapers have greatly cut back their own national and international reporting, this content has become even more important. But many papers are becoming unhappy with the AP’s presence online, which makes it a competitor rather than simply a supplier. They also have begun to chafe at the high membership fees they have to pay for the AP. (Newspapers, without any fee in return, also serve as a supplier to the AP, which takes local copy and puts it out on the wire.)
While the CNN service will not offer photos or sports, CNN’s plans almost immediately began to get attention. In December, the editors of about 30 newspapers went to CNN’s Atlanta headquarters to hear more about the service.

All of these content initiatives speak to Time Warner’s apparent decision to build the CNN brand as a non-ideological counter to Fox News and MSNBC by staying unaligned politically. As New York Bureau Chief Darius Walker described CNN’s approach to its election coverage, “Our job is to bring point of view together and let users decide.”

If Time Warner entered 2009 with a special interest in building the CNN brand, it may have had something to do with CNN’s standout financial performance in contrast to the parent company’s other assets. Hurt by the recession, Time Warner posted a $16 billion loss in the final quarter of 2008. But it also announced that television advertising revenue saw gains for the year of 10%, and 7% in the fourth quarter.

Of CNN and Time Warner’s other cable TV assets, the company’s chief financial officer John Martin said, “They may have been, collectively, our best performing business last year,” and that “We are disproportionately benefiting from money coming off broadcast to cable.”

Ownership profile

Time Warner owns CNN through the Turner Broadcasting System. Of the Turner media holdings, CNN is the most recognized news and information brand. The other Turner holdings include entertainment networks such as TBS, TNT, Cartoon Network, Turner Classic Movies, Adult Swim and truTV.

The CNN brand extends to a host of entities:

**CNN Radio**, the radio outlet that airs CNN television content and original programming, has more than 2,100 affiliated radio stations worldwide. The radio outlet was started in 1982 and has staff based in Atlanta, Washington, Los Angeles and New York.

**CNN International** started in 1985, four years after CNN, and expanded substantially in the early 1990s as an alternative outside the United States to the BBC World News Service. According to CNN, the channel has 31 bureaus. Along with 24-hour broadcasting, CNN International has a Web site and mobile services.

**CNN NewsSource** is the network’s syndicated news service, which U.S. and foreign television stations can access through a subscription. Through this service, CNN acts somewhat like a broadcast network, providing content to local television stations, as well as to its cable channels. Begun in 1987, it provides content to 800 stations in North America and to more than 200 international affiliates.

**CNNMoney.com** is CNN’s business-only Web site. Begun as CNNfn.com in 1995, along with a business television channel, the site became CNNMoney in 2001 in partnership with Money magazine. It is currently the online home of Fortune, Money and Fortune Small Business, all three print business magazines that are part of Time Inc., a component of Time Warner.

**CNN Airport Network** was started in 1992 and is the only satellite-delivered, 24-hour television service designed for air
travelers. It is available in 42 U.S. airports and is seen at more than 1,880 gates and other public areas.

*CNN en Español*, CNN’s Spanish-language television channel, was begun in 1997. It reaches 20.6 million homes in Latin America and 3.9 million in the U.S. According to the channel’s website (www.cnn.com/espanol) which represents both CNN’s Spanish radio and television programming, CNN en Español features 26 news programs and has 28 affiliated journalists.

*CNN Wire*: was announced in November 2008 and is CNN’s potential rival to the Associated Press. The service provides national and international news to local newspapers and radio stations around the country. In November, several newspapers were already using a test version of the wire service and in December, the editors of 30 newspapers went to Atlanta to learn more about it.

**Fox News**

In a year that saw optimism at Fox News’s corporate owner, News Corp., tempered by hard economic realities, Fox News remained a strong performer in Rupert Murdoch’s media portfolio.

Other acquisitions performed well, too, including Dow Jones newspapers and MySpace.com. Murdoch’s attentiveness to these and other prospects, as well as a biography of the mogul, raised some questions about the centrality of Fox News Channel to his corporate vision.

Financially, News Corp. got off well at the start of 2008 but faltered near the end when the recession pulled down media profits. In the final quarter of the year (the company’s second fiscal quarter), News Corp. reported a loss of $6.4 billion, hurt by weak performances in broadcast TV and advertising. 17

However, the losses were mitigated slightly by strong performance in News Corp.’s cable television sector, which saw a 27% jump in operating income compared with the same time in 2007. 18

Even Fox Business Network, also a new investment by News Corp., showed signs of progress for its parent. Although the 2007 startup had yet to make up its $100 million initial investment as of August, its ratings during the financial crisis were high enough to be measured by Nielsen for the first time. 19

In February, Murdoch also secured a larger stake of his own company when the FCC approved his swap of a 38.4% stake in DirecTV for an additional 16.3% stake in News Corp. 20

As his company grew with the acquisition of Dow Jones and MySpace, there was some speculation in 2008 that Murdoch was losing his affection for Fox News, one of News Corp.’s signature — and more profitable — entities.

In December, a highly publicized biography of Murdoch by Vanity Fair columnist Michael Wolff portrayed Murdoch as a mogul who was growing cool to the conservative flagship and its key players, chief executive Roger Ailes and Bill O’Reilly.

Wolff, who was able to secure a series of in-depth interviews, wrote that Murdoch’s interest in the New York Times and delight over his purchase of the Wall Street Journal in 2007 betrayed his true passions, while the luster had faded from
Fox News for him. It is not that Murdoch is necessarily becoming a liberal, suggested Wolff, but that he was in search of more sophisticated company.

On Oct. 6, after Murdoch got an embargoed early copy of the book, he sent a letter to Wolff asserting that it contained factual errors and that Wolff had grossly mischaracterized Murdoch’s relationship with executives at Fox News. 21

The factual items were corrected, but Wolff and his publisher, Doubleday, otherwise stood by the book, “The Man Who Owns the News: Inside the Secret World of Rupert Murdoch.” Wolff argued that Murdoch’s complaint was an attempt to salve the egos of the individuals discussed in the book. And, Wolff noted, the 50 hours of interviews with Murdoch were all recorded on tape. 22

Wolff, noting that Murdoch did not say that he had been misquoted, said he thought the News Corp. chairman was trying to “hedge his bets,” or have it both ways. 23

There were other signs in 2008 that Murdoch’s energies were focused on new projects in the digital, cable and newspaper sectors.

In May, Murdoch’s Fox News subsidiary purchased a minority stake in Palestra.net, which Forbes described as a “Web video-based college news network featuring student reporters” and called the purchase the “latest — and boldest — move by a major media company to capitalize on America’s some 6.1 million undergrads.” 24

Shortly after Cablevision announced it was selling its Rainbow Media unit, which oversees AMC, the Independent Film Channel and WE (Women’s Entertainment), Murdoch expressed interest in seeing what Cablevision had to offer. 25

Murdoch’s ambition and passion for newspapers were illustrated once again by reports that he was mulling over the potential purchase of the New York Times. However, in a public conference call in February 2009, Murdoch tamped down that speculation. 26 Among other obstacles, FCC regulations would present a major hurdle, since News Corp. already owns television and newspaper properties in New York City.

And though News Corp.’s second quarter (fiscal year 2009) revealed write-downs in signature newspaper properties the Wall Street Journal and the New York Post, Murdoch’s response was optimistic about his share of the newspaper industry: “I’ve got great faith.” 27

In its 2008 annual report, News Corp. described itself as a diversified global media company with eight distinct businesses:

- Filmed entertainment (it operates as Twentieth Century Fox in the U.S.)
- Television (the Fox broadcast network and television station group in the U.S.)
- Cable network programming (the Fox News channel and Fox Business Network)
- Satellite television (it owns SKY Italia and shares in other companies).
- Magazines (the Weekly Standard in the U.S.)
- Newspapers (it owns the New York Post as well as The Wall Street Journal)
- Book publishing (Harper-Collins)
- Other (including digital properties such as MySpace.com)

The Fox News brand extends to the business channel and a radio network.

Fox News Radio was begun in June 2005 and, like CNN Radio, is a syndicated service that distributes news programming to radio stations across the country. The network is also distributed through Sirius XM, the satellite radio service, and can be streamed online (see the Radio Chapter). In addition, subscribers can get a dedicated channel of talk programming, Fox News Talk, which features Sean Hannity, Alan Colmes, and until 2009, Bill O'Reilly, among others. All three were among the top talk show hosts on radio, with Hannity the second-most popular among all radio talk show hosts in 2008, behind Rush Limbaugh.

Footnotes
Digital Trends

By the Project for Excellence in Journalism

Introduction

Like their television programs, the major cable news channels’ websites attracted record viewership in 2008, driven in a large part by the political and economic news of the year.

The pecking order, however, barely budged. MSNBC.com remains the most popular site associated with a cable network, despite the news channel’s perennial third-place finish in television ratings.

The sites have also evolved into true multimedia destinations. All now feature video archives, RSS feeds and features for accessing the sites on mobile devices. They all offer live streaming content.

MSNBC.com featured more video content and blogs than the others. Foxnews.com, whose parent company owns MySpace, expanded its presence on social networking websites more than its rivals. And CNN.com remained the leader.
in sheer number of podcasts it made available through its site.

**Web audience**

Web audiences for the cable news channels in 2008 all grew, some by much wider margins than others.

CNN.com and MSNBC.com, both near the top of the most visited news sites, had some of the largest increases in audience in a single year when compared to their peers. Foxnews.com, also in the top 10, had an increase in visitors too, but not by as much.

The three major Internet audience ranking systems differ slightly in their methodologies. Some lump several digital properties together and tally their audiences as one (i.e., CNNMoney.com’s audiences would be added to CNN.com’s and listed as a single audience). Others measure each discrete URL and tally its audience. Others still merely rank the most popular websites in a list. Because of these differences, there is no one rendering of how the three sites stack up against each other. We present the findings of all three — Nielsen Online, Hitwise, and comScore Media Metrix.

**MSNBC.COM (www.msnbc.msn.com)**

A powerhouse in online news since it began in 1996, MSNBC.com remained one of the most visited news sites in 2008, outstripping the popularity of the other cable channels’ sites.

In 2008, the site posted a 34% increase in its audience (averaging 39 million unique visitors per month), and topped all other online news sources for the most-visited news site over the year, according to Nielsen Online. Its growth in 2007, by contrast, was about 14%.

ComScore’s analysis of MSNBC.com’s audience in 2008 was not far off from Nielsen’s. By its numbers, MSNBC.com averaged 32.8 million unique visitors per month in 2008, up 24% from the 26.7 million in 2007. This placed the site slightly ahead of CNN.com and far ahead of Foxnews.com in unique visitors for the year.

Instead of counting visitors, Hitwise ranks websites by the share of Internet traffic they attract. According to that, MSNBC.com ranked third for the year, right behind CNN.com, in a list of the most-visited news websites for 2008.

In addition to looking at a site over the period of a month, another way to examine popularity is to take a peak moment of news activity. Here, too, MSNBC.com looked strong. As an example, the site boasted that it beat rival CNN.com on the final day of the Democratic National Convention, a high-traffic day for all the news sites. MSNBC.com said it had 84.2 million page views. That compared with 77 million page views for CNN.com. MSNBC.com served 5.6 million online video streams that day, it reported. ¹

The website is also one of the most recognized online news sources, mentioned by 10% of the respondents in an August survey by the Pew Research Center for the People & the Press. ²

**CNN.COM (www.cnn.com)**

In 2008, CNN.com ranked among the top news websites in audience size, and posted sizeable gains in its audience
compared to the year before.

Through the year, CNN.com averaged 36.3 million unique visitors per month, only seven percent less than that of its chief competitor, MSNBC.com, according to Nielsen. That number, 36.3 million, was 18% higher than in 2007.

ComScore’s average for 2008 was slightly lower than Nielsen’s, finding that CNN.com averaged 31.4 million unique visitors per month for the year. According to the company, that number was 34% higher than in 2007.

In Hitwise’s list of the top news websites in 2008, CNN.com was ahead of MSNBC.com, ranking second among all news sites.

FOXNEWS.COM (www.foxnews.com)

Fox News’ website has lagged behind its rivals in audience size, but there are indications that it performed better in 2008.

For the year, Nielsen Online ranked it in the top 10 visited news websites, but there was a wide disparity between its traffic levels and that of its rivals CNN.com and MSNBC.com.

According to Nielsen, Foxnews.com’s audience was roughly a third that of MSNBC.com’s and CNN.com’s, averaging 12.5 million unique visitors per month. In 2007, its audience was about one fourth the sizes of CNN’s and MSNBC’s.

According to comScore, Foxnews.com averaged 8.6 million unique visitors per month in 2008, up 28% from 6.7 million in 2007.

Hitwise ranked Foxnews.com as the seventh-most popular news website in 2008, behind both of its rivals, MSNBC.com and CNN.com.

Foxnews.com still ranks third behind the other two sites in terms of familiarity among online news consumers, but with 7% of survey respondents mentioning Fox News, the site has achieved a relatively high level of visibility.

Staffing and Internal

In 2008, all three of the major cable news channels’ websites maintained sizable staff and operations. To varying degrees, the sites expanded their reach across platforms as well.

MSNBC.COM

The second redesign in two years brought a new slogan to MSNBC.com: “A Fuller Spectrum of News.”

More than 200 people work for the site, including editors, reporters and producers, in Redmond, Wash., which is also the headquarters of Microsoft. It has newsrooms in New York, London and Redmond. Its content is also used on Microsoft’s internet portal, msn.com.

The operation was begun in 1996 and boasts that it combines the reporting resources of the NBC family of media –
including the namesake network, Dateline NBC and others – with the technological prowess of Microsoft.

It maintains a separate management structure from Microsoft and NBC News. Its president and publisher is Charles Tillinghast, who rose in the ranks after joining the company in 1999. Jennifer Sizemore, vice president and editor-in-chief of the website, leads the editorial team. She has previously been an editor at several newspapers, including the Houston Chronicle. 4

MSNBC.com tweaked the layout of its home page a number of times in 2008, but the site continued to group its top stories by category, including sports, weather, politics, entertainment, and others. Breaking news items are all featured prominently at the top. A sizable portion, roughly half, of its text content is drawn from outside wire sources, and an additional portion comes from major national news outlets. A small number of stories are generated in-house by NBC News or MSNBC staff.

Like the other major cable news websites, MSNBC.com offers a mobile version.

CNN.COM

The news channel’s main website, CNN.com, is one of CNN’s three U.S. websites. The others are iReport.com and CNNMoney.com. CNNMoney.com is the online home of Fortune, Money and Fortune Small Business magazine.

CNN.com is operated as a separate entity from the on-air channel and in 2008 had a dedicated staff of 200 employees in CNN’s headquarters in Atlanta. 5 With the announcement of CNN’s wire service launch in November 2008 came expectations that CNN.com would hire more journalists. CNN.com had already been featuring its own original copy for many years before the launch of the wire service, which provides content for local and regional newspapers.

Another content distribution relationship involving CNN and a group called Internet Broadcasting Systems continued in 2008. In May 2007, CNN signed with Internet Broadcasting Systems to share content from its website with local television sites. Internet Broadcasting is an online content designer with roughly 70 local television websites as clients. Under the agreement, Internet Broadcasting supplies local news and event information to CNN.com (linking to the local television station sites) and, in turn, CNN.com’s national and political content is available on the station websites. The deal was seen as one more way that traditional media outlets could get online advertising dollars.

CNN International has its own website (http://edition.cnn.com) as well as one non-English-language edition, down from three in 2007. After Japanese and Spanish-language editions were removed, an Arabic version was the only one to remain.

CNN.com’s website layout stayed generally the same throughout 2008. Like MSNBC.com, it lists its content by topic, such as politics, national and world news, but in a more subtle way in a bar along the top of the home page. Unlike the material posted by its competitors, most of CNN.com’s content is created by its own staff, although there are also links to stories from other news organizations. Either with bylines or without, the copy written by the site’s own team was the incubator for CNN’s wire service launched later in the year.

CNN news content also appears on cellphones and PDAs. CNN Mobile gives users text alerts, photos and streaming
video on breaking news stories.

FOXNEWS.COM

Foxnews.com is managed by Ken LaCorte, who is its vice president and senior executive producer, along with Stephen Bromberg, executive editor. 6

The website has a staff of 80 based in its New York headquarters.

Foxnews.com offers a mobile version of its site, which makes live and edited video accessible on mobile platforms. Video content is available on the main site as well, and 2008 was the first full year in which embedded video features were integrated into Foxnews.com.

Like CNN.com, Fox News’ website integrates user-submitted content in the form of its U-Report page. It differs from CNN.com by integrating U-Report into the main site as a page, and not as a separate URL.

Foxnews.com has the look and feel of a tabloid newspaper in many respects. This is consistent with another major American property of News Corp., the New York Post. The basic layout of the site did not change substantially in 2008. Its content is a mix of wire and staff-written copy.

Cable news and social networking

Cable news organizations in 2008 made an effort to take advantage of the exploding popularity of social networking sites.

Although the number of people who say they get their news from these sites is low, about 10%, it is growing, especially among the young people coveted by broadcasters and their advertisers. In 2008, roughly the same number of people said they regularly get their news from social networking sites as say they regularly listen to NPR (11%) or watch late-night comedy programs “The Daily Show” and “The Colbert Report” (10% each). 7

MSNBC.com, like its rivals, expanded its social networking presence in 2008. Although its Facebook page attracted less interest than the others, MSNBC.com seemed to place more emphasis on promoting its advanced digital technologies.

As of December 2008, MSNBC.com’s Facebook profile had attracted 2,400 fans. That is fewer than those of Foxnews.com’s and CNN.com’s profiles, but four times greater than its number of fans just months earlier, in August.

MSNBC.com’s Facebook profile developed and promoted a suite of products for its users. These included new apps, which cater to different preferences in how one receives the news. The products also included news-themed games and widgets.

MSNBC.com did not limit its social networking to Facebook. In August, MSNBC and MySpace, which is owned by News Corp., partnered to host an online contest that would send users to the political conventions last summer. 8

Foxnews.com has had trouble over the years keeping up with the popularity of its rivals’ websites. But Rupert Murdoch’s
news channel has stayed ahead of the curve when it came to the development of its social networking presence. (For more on News Corp.’s other social networking investment, MySpace.com, see Ownership.)

Foxnews.com’s Facebook page is the most popular of those operated by the cable news networks. The profile features video clips from Fox News that users can share and post on their own profiles. 9

As of August 2008, Foxnews.com had amassed more than 20,000 fans to the 600 then at MSNBC.com and CNN.com’s 6,700. 10 The average audience age of Foxnews.com’s Facebook site is 23, right in the heart of the key demographics that are valuable to the cable news channels and their advertisers. This is especially important to Fox News, which tends to attract older viewers than its two major competitors. 11

While its rivals have made an entrance into the world of more established social networking sites like Facebook and MySpace, CNN’s television personalities experimented with Twitter in 2008. One such personality, Rick Sanchez, made highly visible use of social networking tools on his weekday afternoon show, Rick Sanchez Direct. He encourages viewers to contact him via twitter.com. Several times during the broadcast he reads comments aloud and encourages more people to “join the conversation.”

The introduction of Twitter generated some ambivalent reactions: “It’s too fast for my taste,” said former CBS News producer Sam Roberts, “but the news business has to move on, and this may be the way it needs to go.” 12 The feature seemed to take off among technophiles: in September, Sanchez had maxed out the number of people he was able to “follow,” and at 10,000, was quickly adding to the number of people “following” him.

**Online video**

The websites of the major cable news channels sought to take advantage of their extensive video production in 2008.

MSNBC.com was the leader in the amount of video content available on its site, but CNN.com and Foxnews.com featured live video feeds more often and more prominently.

All three cable networks use their websites as second homes for their television content. Since the websites have defined themselves by their live, up-to-the minute news coverage, this makes for awkward situations at times.

Segments that were shown live on television are made available for downloading throughout the day and sometimes into the next. Some of the pieces appeared stale and even out of date in an up-to-the-minute news environment.

In 2008, two of the cable news channels, MSNBC and Fox News, made their content more widely available outside their own websites in a move that may ultimately reach wider audiences but prove challenging for advertising revenue.

This twist in the online video wars is Hulu.com. The site is owned jointly by NBC Universal and News Corp. and is growing in popularity. Users view streaming news and entertainment television content for free. Its growing audience is good news for MSNBC and Fox News, whose content may now more easily reach the valuable audiences. CNN’s parent company, Time Warner, does not have a stake in Hulu, and thus no CNN programming is available on the site.
### Video Links on Cable News Websites (Three-Day Sample Period)

<table>
<thead>
<tr>
<th>Network</th>
<th>Recorded/Edited Video</th>
<th>Live Feed</th>
<th>User-Generated</th>
<th>Total Video Links</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN</td>
<td>20</td>
<td>7</td>
<td>2</td>
<td>29</td>
</tr>
<tr>
<td>Fox News</td>
<td>25</td>
<td>6</td>
<td>0</td>
<td>31</td>
</tr>
<tr>
<td>MSNBC</td>
<td>45</td>
<td>0</td>
<td>0</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>90</td>
<td>13</td>
<td>2</td>
<td>105</td>
</tr>
</tbody>
</table>

Note: Sample period of analysis was September 30-October 2, 2008. All three channels’ home pages were analyzed within the same two-hour time period each day (3 to 5 p.m.). All video links present on the site’s home page were tallied and compiled.

In 2008, MSNBC.com continued to be a leader among its peers in the use of video technology online.

In December 2007 it launched a video player that can be embedded into consumers’ blogs and websites, the first of its kind among the major cable networks’ online portals. And according to a PEJ analysis, the site still includes more video links, on average, on its homepage than its competitors. It also took the lead in terms of the sheer volume of video content being viewed. According to Nielsen, in March 2008, MSNBC.com set a record when its visitors streamed 125.7 million videos.

The site’s use of live streaming content, however, is less pronounced than on CNN.com or Foxnews.com. Unlike the other two, which feature a link to live video feeds nearly all day, every day, MSNBC.com rarely features this option on its homepage.

Foxnews.com generally featured about as much video content as CNN.com did, including its use of live streaming content. The site, not known for being an early adopter of new Web applications, did not roll out any major new features in 2008.

CNN.com, along with Foxnews.com, featured a steady amount of video content, including live feeds. Early in 2008, CNN also launched an alternative channel exclusively through the Web, which included some original content and anchors who worked exclusively on the channel. Called CNN TV, the Web channel has a pop-out option, and includes a combination of live content, packaged soft-news features, and dead air time.

### Podcasts

Cable news websites use podcasts — audio or visual digital editions of their television content — to distribute programming online. With a podcast, a viewer can see a story or clip on demand.

Here CNN.com leads. The site features nearly three times as many podcasts as its rivals. Its home page features an entire podcast section, in which audio and video podcasts are prominently displayed. Evening host Anderson Cooper’s podcast has consistently ranked among the top downloaded on iTunes. (For more on podcasts, see the audio chapter.)
<table>
<thead>
<tr>
<th>Cable News – podcasts</th>
<th>October 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSNBC (10 podcasts)</td>
<td>CNN (28 podcasts)</td>
</tr>
<tr>
<td>Meet the Press</td>
<td>The Ali V Podcast</td>
</tr>
<tr>
<td>Nightly News with Brian Williams</td>
<td>America Votes 2008</td>
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<tr>
<td>Today</td>
<td>Anderson Cooper 360 Daily</td>
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<tr>
<td>Countdown</td>
<td>Around the Track</td>
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<tr>
<td>Hardball</td>
<td>Business Update</td>
</tr>
<tr>
<td>JT’s Rant</td>
<td>CNN All Access</td>
</tr>
<tr>
<td>Morning Joe</td>
<td>The CNN Daily</td>
</tr>
<tr>
<td>News Headlines</td>
<td>CNN Heroes</td>
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<tr>
<td>Zeitgeist</td>
<td>CNN News Update</td>
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<tr>
<td>Your Business</td>
<td>CNN Politics Daily</td>
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<td></td>
<td>CNN Student News</td>
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<td></td>
<td>Fareed Zakaria GPS</td>
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<td></td>
<td>In Case You Missed It</td>
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<td></td>
<td>The Larry King Podcast</td>
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<td>Late Edition Wolf Blitzer</td>
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<td></td>
<td>The Lou Dobbs Commentary</td>
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<td>Nancy Grace Cross Exam</td>
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<td>News of the Absurd</td>
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<td>Now in the News</td>
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<td>On Screen</td>
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<td></td>
<td>Paging Dr. Gupta</td>
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<td>Reliable Sources</td>
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<td>Robin Meade Expressed</td>
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<td>SHOWandTELL</td>
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<td></td>
<td>Showbiz Tonight</td>
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<td></td>
<td>Special Programming – Audio</td>
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<td></td>
<td>Special Programming – Video</td>
</tr>
<tr>
<td></td>
<td>You Can’t Make This Stuff Up</td>
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</tbody>
</table>

Source: Respective websites; podcasts listed on October 6, 2008
### Blogs

MSNBC.com has the greatest number of blogs on its site (24) while Fox News still has the fewest (12).

<table>
<thead>
<tr>
<th>Cable News – Weblogs</th>
<th>MSNBC (24 weblogs)</th>
<th>CNN (22 weblogs)</th>
<th>Fox News (12 weblogs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Clicked</td>
<td>Anderson Cooper 360</td>
<td>On the Scene</td>
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<td></td>
<td>Cosmic Log</td>
<td>Business 360</td>
<td>GretaWire</td>
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<td></td>
<td>Body Odd</td>
<td>Cafferty File</td>
<td>Fox Embeds</td>
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<td></td>
<td>Alpha Channel</td>
<td>CNN.com Behind the</td>
<td>Weather Machine</td>
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<td></td>
<td>The Red Tape</td>
<td>Scenes</td>
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<td></td>
<td>Chronicles</td>
<td>Consumer Tips</td>
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<td></td>
<td>Your Biz</td>
<td>From Z to Z with</td>
<td>E-Mac’s Stock Watch</td>
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<td></td>
<td>Ads of the World</td>
<td>Carl Azuz</td>
<td>Cameron’s Corner</td>
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<td></td>
<td>Daryl Cagle’s Cartoon</td>
<td>In Session</td>
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<td></td>
<td>Weblog</td>
<td>In the Field</td>
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<td>Does it Work? Testing</td>
<td>Inside the Middle</td>
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<td>Health Gadgets</td>
<td>East</td>
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<td></td>
<td>Test Pattern</td>
<td>the Marquee</td>
<td>Griff’s Notes</td>
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<td></td>
<td>The Daily Nightly</td>
<td>Morning Express</td>
<td>The News According to</td>
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<td></td>
<td></td>
<td>with Robin Meade</td>
<td>Hughes</td>
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<td></td>
<td>Deep Background</td>
<td>News to Me</td>
<td>Todd Starnes of Fox</td>
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<tr>
<td></td>
<td>The News Hole</td>
<td>Olympics and the</td>
<td>News Talk</td>
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<td>allDay</td>
<td>World</td>
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<td>Paging Dr. Gupta</td>
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<td>First Read</td>
<td>Political Ticker</td>
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<td>Inside Dateline blog</td>
<td>Salute to Troops</td>
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<td>Worldblog</td>
<td>SciTechBlog</td>
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<td>Fieldnotes</td>
<td>Security Files</td>
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<td>ZeitGeist</td>
<td>SIU Blog</td>
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<td>Hardball’s Hardblogger</td>
<td>WeatherFX</td>
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<td></td>
<td>MSNBC.com’s PhotoBlog</td>
<td>World’s Untold</td>
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<td>Beyond the Arc</td>
<td>Stories</td>
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<td>Extra Points</td>
<td>Young People Who</td>
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<td></td>
<td>Open Mike</td>
<td>Rock</td>
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Source: Respective websites; weblogs listed on October 3, 2008
Microsites

Cable news is a personality-driven platform. Seeking to take advantage of this, many prime-time hosts have added their own websites that link to their parent news channel but exist independently.

Some of these include Sean Hannity and Bill O’Reilly of Fox News, as well as Rachel Maddow of MSNBC. O’Reilly’s website www.billoreilly.com calls itself “The factor online…all the time.” Besides linking to video content on Fox News’s home page, the site includes such features as an interactive poll, an O’Reilly quote of the day and a crossword puzzle.

Other cable news personalities have sites that are more closely associated with their parent channels. One such site highly promoted by CNN, is AC360.com (although the full URL is http://ac360.blogs.cnn.com/) the site centered on Anderson Cooper, host of CNN’s popular Anderson Cooper 360. The site offers a blog, video and text. Its tagline is “News and Commentary – Direct From the AC360 Newsroom."

The overall impact of these microsites is difficult to discern, but they seem to represent less a bold break in the evolution of cable news’ online presence as much as additional venues to promote cable’s already popular personality anchors.

User-submitted content

All three cable news websites continued to make use of user-submitted content in 2008. But perhaps because of challenges related to incorporating citizen journalism into a trusted news brand, or simply because the user-generated fad had lost some luster, the practice did not grow significantly.
CNN.com spun off its iReport feature with its own website, www.ireport.com. MSNBC.com’s “firstperson” and Foxnews.com’s “ureport” are featured prominently on the respective news organization’s websites.

The challenges related to the adoption of this content was brought home in October 2008, when a CNN “ireporter” posted a hoax report that Apple’s Steve Jobs had suffered a heart attack.

Shares in Apple Computer plunged briefly after the report was circulated. CNN.com, which quickly removed the report from the site, released a statement stressing that ireport.com content was not edited by CNN staff.

**Footnotes**

5. Personal communication with CNN.com public relations representative, October 27, 2008
11. Alex Weprin, “News Divisions Retooling Facebook Apps,” Broadcasting & Cable, August 18, 2008
14. The PEJ analysis of cable news websites was conducted over the course of three days in September and October 2008. A log was kept of how many video links were present on the home pages of each respective site: MSNBC.com, CNN.com, and Foxnews.com.
16. One of the challenges in measuring podcast audience is that to date, there remains no standard measurement tool. Podcast Alley, an online podcast ranker, does not rank Cooper's podcast at all.


**Alternative Cable Channels**

*By the Project for Excellence in Journalism*

**Introduction**

The souring economy proved to be a big and fast-changing story for cable's business networks in 2008.

Both CNBC and Fox Business Network had strong ratings growth and expanded programming, especially toward the end of the year when tightening credit emerged as an international crisis.

The enhanced attention was not without controversy, though. Some cable outlets were accused of hastening the stock market declines though their reporting.

On the Web, a beefed-up CNNMoney.com drew more viewers than CNBC.com or Foxbusiness.com 1 despite the closing in 2004 of CNN's own financial cable channel.

**Key Players**

The major players in cable business news are CNBC, Bloomberg TV and Fox Business Network. All are operations of major companies with other substantial interests, and each in some ways has a different model for how it fits into the larger media strategy of the company. CNBC has the largest television audience.

Bloomberg, an offshoot of the business news empire, has the most journalistic resources to draw on but operates the channel as a television extension of its data and online products. Fox Business, with the fewest resources, is still in its early stages of building the channel.
Cable TV Business News
Key Players at a Glance, 2008

<table>
<thead>
<tr>
<th>Owner</th>
<th>CNBC GE (NBC Universal)</th>
<th>Bloomberg TV Bloomberg Media</th>
<th>Fox Business Network News Corp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch Date</td>
<td>April 1989</td>
<td>February 1994</td>
<td>October 2007</td>
</tr>
<tr>
<td>Other Bureaus</td>
<td>9</td>
<td>112</td>
<td>5</td>
</tr>
<tr>
<td>Year-End Households</td>
<td>97 million</td>
<td>47 million*</td>
<td>44 million</td>
</tr>
<tr>
<td>Subscriber Fee per</td>
<td>97 cents</td>
<td>4 cents</td>
<td>11 cents</td>
</tr>
<tr>
<td>Month 2008</td>
<td>$627.5 million</td>
<td>$83.3 million</td>
<td>$70.8 million</td>
</tr>
<tr>
<td>Net Revenue 2008</td>
<td>$277.4 million</td>
<td>$67.6 million</td>
<td>$119 million</td>
</tr>
<tr>
<td>Total Expenses 2008</td>
<td>$350 million</td>
<td>$15.6 million</td>
<td>($48.2 million loss)</td>
</tr>
<tr>
<td>Profits 2008</td>
<td></td>
<td></td>
<td>expected to break even in three years</td>
</tr>
<tr>
<td>Median Age of Viewers</td>
<td>49.5 years</td>
<td>49.4 years</td>
<td>N/A</td>
</tr>
<tr>
<td>Median Household Income of Viewers</td>
<td>$141,800</td>
<td>$148,700</td>
<td>N/A</td>
</tr>
<tr>
<td>Strategic Partners</td>
<td>Wall Street Journal</td>
<td>Bloomberg news and data services</td>
<td>Fox News Channel, Dow Jones</td>
</tr>
<tr>
<td>Key Management</td>
<td>President – Mark Hoffman</td>
<td>Executive Editor – Michael Clancy</td>
<td>Chairman &amp; CEO – Roger Ailes</td>
</tr>
<tr>
<td>Key On-Air Talent</td>
<td>Managing Editor – Tyler Mathisen</td>
<td>Managing Editor – John Meehan</td>
<td>Senior Vice President – Neil Cavuto</td>
</tr>
<tr>
<td></td>
<td>Jim Cramer, Erin Burnett, Maria Bartiromo</td>
<td>Carol Massar</td>
<td>Neil Cavuto, Alexis Glick</td>
</tr>
<tr>
<td>Key Shows</td>
<td>Squawk Box (6 a.m.) Street Signs (2 p.m.) Mad Money (6 p.m.)</td>
<td>Morning Call (6 a.m.) In Focus (Noon)</td>
<td>Money for Breakfast (6 a.m.) Happy Hour (5 p.m.) Cavuto Tonight (6 p.m.)</td>
</tr>
</tbody>
</table>


Notes: All 2008 figures are projections. Median Age refers to age of the head of the household viewing the channel. Times are Eastern.

* Figure does not include Bloomberg specialty terminals, which are counted separately from households receiving its cable television service.
CNBC

The goliath of financial networks, CNBC, entered 2009 with a greater reach and estimated profitability than both its competitors. When the financial crisis escalated in September, CNBC ratings were 10 times those of its nearest rival, Fox Business.

CNBC set and reset a number of its own ratings records during the early days of the crisis. On the day after Lehman Bros. filed for bankruptcy, the channel averaged 488,000 viewers between 5 a.m. and 7 p.m. Traffic on its website, too, skyrocketed to nearly 15 million page views.

By the time the year was over, CNBC was expected to earn more than $350 million in profit in 2008, up from $330 million in 2007, according to early-year estimates by SNL Kagan. Its reach had grown as well. The network was available in 97 million households, a slight increase from 2007 when the network reached 95 million.

The channel also took steps to enhance its brand online. It partnered with LinkedIn, a professional networking website, to allow CNBC to post its content on LinkedIn’s site, further exposing the business channel’s target clientele to its brand.

Over the years, CNBC’s growth has been a result of attracting more viewers and acquiring a major rival. Launched by NBC in 1989 (the first cable news channel, CNN, went on the air in 1980), the network merged with its rival, Financial News Network, the dominant business news channel, in 1991. In the years that followed, CNBC established a strong brand and lucrative audience following.

CNBC’s website reach appeared to sit between that of its competitors, Bloomberg.com and Foxbusiness.com. According to comScore Media Metrix, it drew 1.5 million unique visitors in September 2008, which was up nearly a million from the year before, and a 20% jump from the previous month.

Fox Business Network

News Corp.’s Fox Business Network struggled to compete with CNBC in 2008, the first full year of operation for the upstart business network. By July, Nielsen data indicated that FBN was averaging only one-tenth the prime-time audience of CNBC.

Despite expanding its reach with new carrier agreements, FBN was available in less than half of the households that CNBC reaches: 44 million in 2008, compared to CNBC’s 97 million.

Projections by SNL Kagan called for Fox Business Network to lose $48.2 million in 2008 and a total of $158.6 million between 2008 and 2010. It is not expected to make money until 2011.

Even News Corp.’s purchase of Dow Jones and the Wall Street Journal, which is expected to eventually bring the network prestige and viewers, was little help during the year. A prior agreement between Dow Jones and CNBC
restricts Journal commentators to appearances on CNBC through 2012. 8

However, there were some positive developments during the year.

Its audience peaked at an average of 81,000 viewers between 1 p.m. and 10 p.m. on September 15, in the midst of the financial crisis, suggesting that some viewers sought out its expertise during a time of big financial news. 9

Fox Business Network scored a coup when it lured popular CNBC anchor Liz Claman. Claman had recently been praised in a Vanity Fair article that distinguished her from some other female financial anchors in the industry. For all the apparent emphasis at the channel on hiring attractive female hosts, Claman stood out for her talent and experience. 10

It also reached an agreement for its audio feed to be simulcast on Sirius XM satellite radio, potentially attracting new viewers.

In October, FBN signed an agreement with U.S. Cable and Insight Communications, a large cable television operator, to expand its presence in more markets across the country. This deal added an additional 13 million households to FBN's audience, bringing its total to 44 million.

News Corp.'s chairman, Rupert Murdoch, was bullish on the network's prospects. In September, he appeared on the channel for an interview with host Neil Cavuto and compared his launch of the network to his against-the-grain judgment in creating Fox News. 11

A part of the Fox Television Group, the channel is the responsibility of Roger Ailes, the architect of the Fox News Channel and former president of CNBC. Fox News's initial strategy was to appeal to “main street” instead of the Wall Street following of CNBC.

FBN's website, Foxbusiness.com, trailed those of its rivals, but had some of the strongest gains in unique visitors during September. That month, according to comScore, Foxbusiness.com gained in unique visitors by 127% in a single month, ultimately attracting 1.2 million.

The channel's website went live in 2007 as a preview to the channel. If the site is successful, News Corp. would own three premium business news websites in the U.S., the other two being Dow Jones' WSJ.com and MarketWatch.com.

Bloomberg TV

The third major player in business cable news was Bloomberg. Better known among financial professionals for its related data service, Bloomberg TV changed management and announced a redesign of its Web site in 2008.

As of March 2008, Bloomberg TV reached 47 million U.S. households.

Former NBC News chief Andrew Lack was appointed Bloomberg's CEO of multimedia in October 2008. According to some reports, Lack was brought in to strengthen Bloomberg's cable television program in particular, which has sometimes been lost in the competitive drama between CNBC and Fox Business. 12
The company’s president, Dan Doctoroff, said that Bloomberg.com would also be getting a major makeover early in 2009 with the goal of making it more user-friendly for consumers outside the world of high finance. He has hinted, too, that he is open to acquiring more media properties.

Bloomberg TV was launched in 1994 by Bloomberg, a financial information company founded by Michael Bloomberg before he became mayor of New York. It is available on television as well as computer monitors and other media. That specialty service, Bloomberg Terminal, costs $1,500 a month and is popular with finance professionals.

Bloomberg's cable channel, wire service and other media products make up a small fraction of the company's overall profits. According to one report, only 10% of Bloomberg's $5.4 billion in revenue was derived from Bloomberg's media holdings in 2008. The other 90% was largely derived from the terminals. This revenue stream may be cut short if the American recession continues to hit the financial sector. According to industry analyst Derek Baine, the demand for Bloomberg's terminals will likely decline due to the layoffs on Wall Street.

By early 2009, there were hints that Bloomberg's media operations were facing challenges. In February, the company announced it would be making its first layoffs since Bloomberg LP was founded in 1981. The layoffs — about 100 — were chiefly from its U.S. television and radio staff, and included the cancellation of Bloomberg TV's late-night program, "Night Talk."

Bloomberg TV does not subscribe to Nielsen and its viewership is generally assumed to be small. But, the channel does attract an elite audience. The 2008 Mendelsohn Affluent Survey found that Bloomberg TV viewers -- not including those subscribing to the computer service -- have an average annual household income of $148,700, the highest of any cable network it measures.

Although Bloomberg TV was somewhat below the radar compared with its two main rivals, its website drew more unique visitors than both cnbc.com and foxbusiness.com. In the month of September, according to comScore, Bloomberg.com drew 2.8 million unique visitors, which was up 50% from the month before.

**The financial crisis of 2008**

Americans were suddenly captivated by financial news in the fall of 2008 when Wall Street appeared to teeter on the brink of collapse.

Cable business networks responded with expanded coverage. CNBC kept its daytime anchors on the air from 8 to 11 p.m., and Fox Business Network did the same from 8 to 9 p.m. Bloomberg TV, which normally features live programming at the 6 p.m. hour on Sundays, had special reports throughout the day.

Bloomberg was particularly well positioned to cover the global ramifications of the crisis, with more than 2,000 reporters worldwide. Of these, 1,500 work for Bloomberg’s wire services and 800 work for its television programming.

Managing editor John Meehan approached the events from a positive standpoint, saying, "We have the opportunity to really expand the audience and invite other viewers who wouldn’t typically see us."
The network does not subscribe to Nielsen measurement services but, according to one of the company’s spokespersons, Bloomberg broke its own ratings record on September 15, when Democratic presidential candidate Barack Obama appeared to discuss the financial markets. 17

Starting in mid-September, CNBC was to see a number of its own ratings records broken and rebroken. On September 15, the day after investment firm Lehman Brothers filed for bankruptcy, CNBC had its best single-day ratings since the day it reopened following the 9/11 attacks.

The channel averaged 488,000 viewers from 5 a.m. to 7 p.m. Among the shows that recorded their highest ratings ever that day were Mad Money with Jim Cramer and Fast Money. Also gaining from the events was CNBC’s website, which received nearly 15 million page views.

The following day, September 16, Brian Williams anchored The NBC Nightly News from CNBC’s studios in Englewood Cliffs, N. J., saying “We talked about being live from the New York Stock Exchange, Lehman Brothers — you can throw a rock at it from 30 Rock, that would’ve been easy — but this, to me, is the coverage of the American economy.” 18

Broadcasting from NBC News’ sibling channel headquarters was something Williams had never done before.

CNBC had its best week following the Lehman collapse since the week of September 17, 2001, when the markets reopened after the 9/11 attacks. Seven years later, during three days of market turmoil in the week of September 15 the network averaged about 500,000 viewers a day during its business day programming hours of 5 a.m. to 7 p.m.

CNBC’s success during the crisis was coupled with controversy, however. Vanity Fair accused CNBC’s “trigger-happy” reporters of being complicit in Bear Stearns’ collapse. In early October, Jim Cramer, CNBC’s frenetic host of Mad Money, exhorted viewers on the Today Show to remove their money from the stock market for the next five years. Critics compared the advice to yelling “fire” in a crowded theater.

Ratings for Fox Business improved markedly in September and October, when the channel’s viewership spiked high enough occasionally to be measured by Nielsen. For instance, on September 15, in the midst of the crisis, its audience peaked at an average of 81,000 viewers throughout the day.

The fledgling network’s success was based on the same basic formula adopted earlier by CNBC: it added live coverage during hours normally filled with paid programming.

During the weekend of September 26-28, for example, FBN went live when it normally would have had no original programming scheduled to cover Treasury Secretary Henry Paulson’s update on the bailout bill.

It is unclear whether the U.S. economy crisis will continue to lead to increased viewership for the business channels. But there are a few positive signs.

In November, after the nation’s financial woes lost some of the breaking-news quality, the channels still achieved new milestones in terms of audience. CNBC’s daytime programming had its best November ever. It averaged 390,000 viewers, up 36% from the previous November. And Fox Business, which still attracted audiences too small to be regularly reported by Nielsen, came close to drawing the same number of viewers on Election Night as did its rival,
CNBC, according to Media Bistro’s TVNewser blog. 19

The Fox Business Network added live weekend programming to its schedule in January 2009. In launching Your Questions, Your Money Live, every Saturday from 10 a.m. to 2 p.m., it joined Bloomberg TV as the second business cable channel to offer live weekend programming (CNBC had none as of March 2009).

An International Perspective

A handful of new cable channels — two with an international vantage point — struggled for a piece of the U.S. market.

**BBC America**

The British invasion of American cable television news is showing mixed results.

BBC America added new cable systems in 2008, significantly expanding its reach to all 212 U.S. cable markets and 62 million homes by the end of the year. However, its newscast geared to U.S. viewers, BBC World News America, averaged just 151,000 viewers at 7 p.m. and 10 p.m., and only 85,000 viewers within the desirable demographic of 25-to-54-year-olds. 20

By contrast, Special Report (Fox News) averaged 1.67 million viewers in the third quarter of 2008 and The Situation Room (CNN) averaged 870,000 viewers in the same period.

BBC executives took steps in 2008 to boost the program's ratings, including making an investment of $5.9 million in World News America. 21

They limited anchor Matt Frei's appearance to the network’s American show, BBC World News America, broadcast from Washington. This was done to distinguish the show from the flagship BBC World News broadcast. That program is also available in some American homes, on PBS stations, anchored from London by Mike Embley.

The news program also revamped its set in October. The new backdrop holds eight plasma television screens that display American landscapes.

BBC America is widely available on cable and satellite. The network, which was launched in 1998, is entertainment-focused, but does show BBC World News America, an hour-long news show at the 7 p.m. prime-time slot, and a rerun at 11 p.m. In the mornings, it broadcasts three hours of BBC World News from 6 to 9 a.m.

BBC World News (formerly called BBC World) is the name of the British 24-hour news channel that is the most widely available news channel in the world. However, in the US, where the market is already flooded with its own cable news channels, BBC World News has been unable to make significant inroads. The channel is carried on only a few cable systems, although some of its BBC News Bulletins are shown on over 200 PBS stations and on BBC America.

BBC World News America, the hour-long news program shown on BBC America, is also shown in its full length on BBC World News.
France 24


In January 2008, French President Nicolas Sarkozy expressed annoyance at tax revenues being used to produce programming in a language other than French. He threatened to cut off public funding for the English and Arabic news services and insisted that the national channel use only the national language.

Canceling the English program would, of course, deal a blow to the station’s hopes of becoming an international network along the lines of the foreign versions of BBC and CNN. As it was, it was only available in the Washington and New York markets in the United States.

The dispute was still simmering in October when Sarkozy’s government bought out two media companies’ privately owned shares in France 24.

There were some sighs of relief among network executives in November, when France 24 was recognized as the top international news service of the year at the annual International Media Excellence Awards in London. Executives continued to make the case that canceling the English-language version and adding English subtitles to the French version would actually be less efficient than keeping things as they were.

Meanwhile, the network aired 12 hours of live U.S. election coverage in all three of its languages — French, Arabic and English – on Nov. 4.

As its fate was being debated, the channel took steps to reach a wider audience. In October, the network announced it was launching a mobile version, accessible on mobile devices through Actimagine’s Mobiclip.com platform.

The news channel, launched in 2006, was originally aimed at a French audience. But in 2007 it tried to challenge BBC World and CNN by launching the English-language version, which was made available to American audiences via cable and satellite.

At its launch, the channel had 390 employees worldwide and 180 journalists, but has since grown to well over 430 staff, including 200 journalists.

Current TV

In August 2008, the Al Gore-backed Current TV turned three years old.

The interactive cable television network continued to see the same steady, but quiet, success. According to SNL Kagan data, it was projected to be available in 53 million households by the end of 2008, up nearly 10 million from the year before.

It was also estimated to receive $63.5 million in license fee revenue, up significantly from $47.1 million the year before. It averages 11 cents per subscriber, as it did in 2007.
Gore, the former vice president and one of the founding partners of Current TV, remained involved in 2008. Its programming is geared toward the 18-to-34-year-old demographic, and features technology, fashion, the environment, spirituality and politics, among other topics. The format of the channel is unusual in that it consists of short programs called pods, some of which are user-generated.

Its Web site notes that Current TV is now distributed through Comcast, Time Warner, DirecTV, Dish Network, Sky and Virgin Media Cable.

During the 2008 presidential and vice-presidential debates, Current TV teamed up with Twitter, airing the debates while allowing viewers to post their comments and having them appear on the screen for all viewers to see.

Footnotes

14. Personal communication with SNL Kagan Analyst Derek Baine, January 2009
15. 2008 Mendelsohn Affluent Survey (available online at http://www.mmrsurveys.com)

**Charts & Tables**

**AUDIENCE**

Cable News Prime Time Viewership
Cable News Prime Time Viewership, 1998-2008
Cable News Daytime Audience
Cable News Cumulative Audience, by Channel
Cable News Cumulative Audience
Cable News Prime-Time Audience
Cable News Prime-Time Audience, 2008
Cable News Cumulative Audience, 2008
Cable News Viewership By Program
MSNBC at Prime Time
MSNBC at Daytime
Top Shows on MSNBC
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Fox News at Daytime
CNN at Prime Time
CNN at Daytime
HLN
Cable News Prime-Time Audience During Big Events
Cable News Average Viewership During Election Events

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Cable News – Profits
Cable News Profitability
Cable News Revenue (Estimated)
Cable News Revenue Streams (Estimated)
Cable News Monthly Revenue per Subscriber
Advertising Costs on Television
Cable News – Net Ad Revenue

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Overall Expenses, All Cable News Channels (Estimated)
Cable News Total Spending (Estimated)
Cable News Staffing (Self-Reported)
Cable News Domestic Bureaus, 2008
CNN and HLN Expenses (Estimated)
CNN and HLN
MSNBC Expenses 2006-2008, in Millions of Dollars (Estimated)
MSNBC
Fox News Expenses (Estimated)
Fox News

DIGITAL TRENDS

Video Links on Cable News Websites
Cable News – podcasts
Cable News – Weblogs

ALTERNATIVE CHANNELS

Cable TV Business News
Local TV – Intro

Introduction

*By the Project for Excellence in Journalism*

Local television stations usually can’t wait for presidential election years.

In normal times, they get a windfall from political advertising revenue. The Olympics are an added boost for stations affiliated with the network carrying the Games. And, typically, more stations are sold in the early months of such years, adding cash for the sellers. If the campaigns are interesting, news viewership might perk up, too.

Given the intensity of interest in the race, 2008 might have been an especially good year.

These, however, are not normal times.

The year just passed was a difficult one for local television and its newsrooms on almost every front.

The coming year looks even grimmer.

And not all of the problems can be chalked up to the weakening economy.

To begin with, viewership was flat or declined for most newscasts across all time slots.

Revenue projections kept being revised downward as the year went on and the final numbers were probably lower than in 2007, a non-election year. The local ad market was particularly hard hit, especially for cars, the industry’s biggest revenue source. By some estimates, profit margins were cut in half.

In newsrooms, by the fourth quarter, cost cutting touched nearly everything and everyone, including some of the best known and most experienced on-air news people.

The delay in the switch to digital transmission from February 2009 to June added to financial strain; stations had to pay to keep analog equipment working and delay some digital upgrades. (See News Investment)

And looming, not at all far in the distance, is a potential shift in the relationship between networks and their affiliates that could effectively blow up the model of the local television business.
No, these are not normal times.

**Audience**

In 2008 local television remained the most popular source of news in America, but there were abundant signs of trouble. 1

An analysis of data from Nielsen Media Research suggests that viewership of local news declined or was flat across all timeslots, during all sweeps periods during the year. 2

Evening newscasts, around the dinner hour, were hardest hit.

And the declines were seen not only in news program aired by affiliates of the four largest networks (ABC, CBS, NBC and Fox), but by independent stations and those affiliated with smaller networks as well.

All this only continues a long-term trend. In 1998, nearly two-thirds of the public (64%) told the Pew Research Center for the People & the Press that they regularly watched local television news. By 2008, that number had fallen to 52%. 3

Traditionally, local television news audiences were difficult to track at a national level. Data from Nielsen Media Research are designed to help advertisers analyze stations by market, but not as group.

PEJ developed a method, using Nielsen data, to combine the numbers from individual stations into national averages by timeslot and to track the trends of those averages year to year. The data are analyzed for all the major news time slots and across all four sweeps periods — February, May, July and November.

For 2008, we analyzed not only stations affiliated with the four big networks, but also the fledgling broadcast networks CW and MyNetworkTV and stations unaffiliated with a network. 4

**Four Largest Networks’ Affiliates**

Affiliates of the four major networks saw sharp audience declines in both evening and late-night news in 2008. These ratings have declined every year PEJ has tracked them with Nielsen data, beginning in 2006.

The picture was less bleak for morning news, where ratings remained steady throughout the four sweeps months, although share declined. Evening news (around dinnertime) lost ratings in three out of four sweeps months, with declines as high as 11%. In share they lost every month save one, when they broke even.

In late news, after prime time, the numbers fell in all four sweeps periods.

*Ratings* are the percent of households watching a program at a given time among all households in the market. *Share* is the percent of households watching a particular program among *only* those households that have their televisions on. These two are the key metrics for audience in local television. Ratings give you a number for a program’s average...
Audience. Share tells you the percentage of television viewers at that moment who are watching that program within a particular market, their market share.

Local News: Change in Ratings
Sweeps Months, 2007 to 2008

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>Evening News</th>
<th>Late News</th>
<th>Morning News</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>-3.1%</td>
<td>-8.6%</td>
<td>0%</td>
</tr>
<tr>
<td>May</td>
<td>3.6</td>
<td>-3.1</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>-6.9</td>
<td>-3.6</td>
<td>0</td>
</tr>
<tr>
<td>November</td>
<td>-11.4</td>
<td>-3.7</td>
<td>0</td>
</tr>
<tr>
<td>Average # of Markets</td>
<td>209</td>
<td>202</td>
<td>205</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license
Note: Numbers represent ABC, CBS, Fox and NBC affiliates

Local News: Change in Share
Sweeps Months, 2007 to 2008

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>Evening News</th>
<th>Late News</th>
<th>Morning News</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>0%</td>
<td>-10%</td>
<td>0%</td>
</tr>
<tr>
<td>May</td>
<td>-8.3</td>
<td>0</td>
<td>-6.3</td>
</tr>
<tr>
<td>July</td>
<td>-8.3</td>
<td>-11.1</td>
<td>-6.7</td>
</tr>
<tr>
<td>November</td>
<td>-8.3</td>
<td>-12.5</td>
<td>-6.7</td>
</tr>
<tr>
<td>Average # of Markets</td>
<td>209</td>
<td>202</td>
<td>205</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license
Note: Numbers represent ABC, CBS, Fox and NBC affiliates
The evening and late night newscasts are now roughly equal in audience size, a change from the time when the earlier programs were larger. Audiences in the morning are roughly half the size of those at night.

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>Evening News</th>
<th>Late News</th>
<th>Morning News</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>9,864</td>
<td>9,030</td>
<td>4,336</td>
</tr>
<tr>
<td>May</td>
<td>8,195</td>
<td>8,703</td>
<td>3,942</td>
</tr>
<tr>
<td>July</td>
<td>7,681</td>
<td>7,625</td>
<td>3,009</td>
</tr>
<tr>
<td>November</td>
<td>8,936</td>
<td>7,360</td>
<td>3,929</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license
Note: Numbers represent ABC, CBS, Fox and NBC affiliates

To understand the trends fully, it is useful to break the numbers down by timeslot.

**Evening Newscasts**

Changing lifestyles and shifting news habits have eroded the audience for the traditional evening and dinner hour news timeslot for years. The election year that captivated the country in 2008 offered no respite.

Local affiliate newscasts between 5 and 7 p.m., the so-called early evening timeslot, saw a drop in ratings and share in three of the four sweep months in 2008, according to our analysis. 5

Year to year, ratings fell an average of 3.1% in February, 6.9% in July, and 11.4% in November. The lone exception was May, when ratings were up 3.6% from 2007. 6

Despite the industry wide ratings declines for early evening newscasts, there were some signs of hope for early evening newscasts in 2008.

A study conducted by Nielsen Media Research and Broadcasting & Cable magazine found some stations had seen growth of up to 20% in ratings in November 2008 when compared to the same month the previous year. 7 The study compared newscasts with ratings of at least 5 points in 56 metered markets. 8
Among the big gainers were stations in Washington, D.C., Jacksonville, Fla., and Indianapolis.

Wally Dean, the Broadcast/Online Director at Committee of Concerned Journalists and a consultant to this report, told PEJ that some stations have been able to boost ratings by investing in quality. “Though overall viewership is declining, it is still possible for an individual station to significantly improve its numbers,” Dean said.  

![Average Early Evening News Ratings](image)

Share, the percentage of people watching TV tuned to local news, also fell three of the four sweeps months. This suggests the evening shows may be losing viewers to other television news (on cable and network television) that focused on national issues, such as the election campaign, the presidential transition and the economy.

The biggest declines came in November, even when interest remained high in news about the election and the economy. The loss in ratings that month was nearly triple that of February and May and double that of July, and share also fell.
According to analysts, there may be several elements at play. One may be the intense focus that cable gave to the election, which lured news viewers. Another is a disappointing fall entertainment lineup on the four networks. Local news tends to get much of its audience from people staying tuned into that channel before and after their entertainment program. And yet another reason for the sharp decline may be continued impact from the writers strike, when audiences tried different programming. 10

**Late News**

Late news, the programs that follow the end of the prime-time entertainment shows, also suffered, though not quite as much as earlier in the evening. 11

Late news ratings declined in every sweeps month, ranging from 3.1% in May to 8.6% in February. 12

In share, double-digit losses occurred in every month but May, when share held steady. Even when people were tuning in late then, they were more likely than in 2007 to watching something other than local news.

The steep February losses are at least partly attributed to the Writers Guild of America strike that stopped production of scripted television shows for 100 days from November 5, 2007, to February 12, 2008.

The strike resulted in little new entertainment programming on the broadcast networks preceding the late-night newscasts.

But the strike does not explain all of the decrease, which had been occurring in earlier years as well. The greatest loss in share occurred in November, again, a month of intense news watched by many Americans with the conclusion of the election and increasingly dire economic news. These sharp losses reinforce the findings in the evening hours that local television is continuing to lose out to both cable and the Internet.
Audience share lost more than 10 percent in three out of four sweeps months (the change in share in May was flat).

**Early Morning**

The closest thing to a bright spot in local news was early morning, although here, too, the bloom appears to be off the rose somewhat.

For early morning news (5 to 7 a.m.), the local programs that come on before the network morning shows at 7 a.m., audience figures for 2008 were flat or down.
Ratings for all four sweeps months, February, May, July and November, were largely unchanged.

Share, meanwhile, fell (by 6%) in every sweeps period but February (when it was flat). This means that during the early morning hours, people have begun to watch other programming, possibly cable news.

Early morning had until recently been the lone growth area for many local stations around the country. In 2006, however, we found that even this had begun to suffer audience declines in both ratings and share during every sweep month. In 2007, the numbers were flat most of the year but rose in November. Thus 2008 represents a second year of basically stable ratings.

(A number of stations, particularly Fox affiliates, also extend their local morning news beyond 7 a.m., to 8 a.m. and even in some places to 9 a.m., forgoing the network morning programs. In 2008, these later morning programs saw ratings declines compared with 2007.)
Midday News

Noon broadcasts (noon to 1 p.m.) have become increasingly popular among audiences, and network affiliates continue to add these newscasts to their schedule. Ratings and share for the timeslot are somewhat more stable than others excluding morning news, which held steady from 2007.

### Midday News: Change in Ratings

<table>
<thead>
<tr>
<th>Time</th>
<th>February</th>
<th>May</th>
<th>July</th>
<th>November</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noon to 1 p.m.</td>
<td>0%</td>
<td>0%</td>
<td>-4.8%</td>
<td>5.3%</td>
<td>189</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license
Note: Numbers represent ABC, CBS, Fox and NBC affiliates
When Fox developed a fourth network of local news affiliates around the country, it developed a strategy of airing news during what had been the last hour of prime time — 10 p.m. Eastern and Pacific time and 9 p.m. Mountain and Central.

In 2008, these prime-time newscasts also declined in viewership, a sign that the problem for news has more to do with than when local broadcast news is airing. The declines appeared both in the 9 p.m. slots in the middle of the country, and the 10 p.m. slot on the coasts. And the later hours suffered even more.

**New Timeslots: Changing Schedules**

Some local stations have been experimenting with shifting the time they air news around the dinner hour, offering newscasts an hour earlier or a half-hour later than the usual evening timeslot, in the hopes of catching more people. But in 2008 at least, this time shifting seemed to bring little success.

From 4 to 5 p.m., ratings declined an average of 6% in every month except November. And for the 7-to-7:30 p.m. time-slot, when some local stations were adding newscasts to follow the national network news broadcasts, the loss was roughly three times that. 14

Only about three dozen affiliate stations experimented with this time slot in 2008, and judging by the numbers, the path is not promising.
How widespread is the phenomenon of stations changing their schedules for news?

The evidence suggests that this trend was limited in 2008.

In 2007 PEJ analyzed data for stations affiliated with ABC, CBS, Fox and NBC networks in the top 25 designated market areas in the U.S. Findings indicated that under 25% of affiliated stations did some shifting of their news schedules, with the majority of changes coming in the morning hours. 15

For 2008, PEJ expanded this analysis to include independent stations and those that are CW and MyNetworkTV affiliates to better assess schedule shifting in a broader universe of stations. 16

In all, just 8 of the 168 stations studied (or just 5%) did some time shifting. The time changes occurred throughout the day, with three stations shifting morning programs, three shifting early evening programs and one each shifting midday and late news broadcasts.

Thus even in absolute numbers, fewer stations were found to have time-shifted news in 2008 in a larger universe of stations than in 2007 among just the four larger network affiliates. And losses in ratings and share during these alternative times may lead to even fewer changes in 2009, or possibly less news on programming schedules over all.

Half of the new programs (19) were added by affiliates of the four large networks, in 13 markets. In all, independent stations added nine newscasts in five markets. CW added a newscast in each of five markets (plus two in Chicago), and MyNetworkTV added a newscast in each of four markets. MyNetworkTV cut two morning newscasts in Miami. Another practice that has grown in recent years is the production of newscasts for other stations in the same market. Sharing or selling newscasts generates additional revenues for stations and allows a station to shift schedules across channels without altering its own schedule.

Robert Papper, chairman of the journalism department at Hofstra University, estimates that 200 stations air news that is not produced in-house. 17
But Papper sees signs that this is slowing, mostly due to economic factors associated with purchasing newscasts from other stations and lower returns from advertising in general. “The numbers [of stations getting newscasts from others] grew pretty quickly,” Papper said. “But in tough economic times, the number appears to have stabilized — for now.”

Another factor that might change how and when news is watched is the adoption of digital television technology by the public. With more viewers tuned into digital, stations have the ability to broadcast news programming on as many as three channels — a main channel plus two subchannels. Should subchannels gain a substantial audience in 2009, stations could simply rebroadcast or add new newscasts on the subchannels, obviating the need to shift or reshuffle their schedules or program on other stations.

Audiences at Affiliates of Smaller Networks

Local stations affiliated with the four large networks operate in nearly all of the 210 television markets tracked by Nielsen Media Research and get the lion’s share of audience for news.

But two other types of stations air news in some markets.

The first group comprises independent stations, those not affiliated with major network systems. The second group is made up of stations affiliated with two fledgling networks, CW and MyNetworkTV, both of which were begun in 2006.

It is worth looking at these stations’ ratings to get a larger sense of the universe of local news viewers.

Independent Stations

The number of independent stations, those not affiliated any network, is now quite small. Depending on the timeslot, only 17 to 25 markets have independent stations with large enough news audiences for Nielsen to track. That small sample of stations makes the data about ratings and share more volatile.

What the data show, however, is a trajectory even less promising for news than on the large network affiliates.

Independent stations saw ratings and share numbers flat or falling in every time period studied.

In the early evening news block, ratings for these unaffiliated stations were flat in every sweeps month except July, when ratings fell 0.2 ratings points to 0.3. Share fell by half in May, July and November from the year before. It was flat in February.

In the late news block, ratings fell by double digits in every sweeps month, some as great at 22%. Share was mixed, flat during two periods, down precipitously in two others.

And early-morning ratings were down throughout the year compared to 2007 and share dropped through most of the year.
Local News: Change in Ratings, Independent Stations

Sweeps Months, 2007 to 2008

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>Evening News</th>
<th>Late News</th>
<th>Morning News</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>0%</td>
<td>-20%</td>
<td>25%</td>
</tr>
<tr>
<td>May</td>
<td>0</td>
<td>-22.2</td>
<td>-33.3</td>
</tr>
<tr>
<td>July</td>
<td>-40</td>
<td>-22.2</td>
<td>-33.3</td>
</tr>
<tr>
<td>November</td>
<td>0</td>
<td>-12.5</td>
<td>0</td>
</tr>
<tr>
<td>Average # of Markets</td>
<td>22</td>
<td>17</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license

Local News: Change in Share, Independent Stations

Sweeps Months, 2007 to 2008

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>Evening News</th>
<th>Late News</th>
<th>Morning News</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>0%</td>
<td>-33.3%</td>
<td>-25%</td>
</tr>
<tr>
<td>May</td>
<td>-50</td>
<td>0</td>
<td>-33.3</td>
</tr>
<tr>
<td>July</td>
<td>-50</td>
<td>-33.3</td>
<td>-50</td>
</tr>
<tr>
<td>November</td>
<td>-50</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Average # of Markets</td>
<td>22</td>
<td>17</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license
### Morning and Midday News Ratings, Independent Stations

**Sweeps Months, 2007 to 2008**

<table>
<thead>
<tr>
<th>Time</th>
<th>February</th>
<th>May</th>
<th>July</th>
<th>November</th>
<th>Average Number of Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-7 a.m.</td>
<td>-25%</td>
<td>-33.3%</td>
<td>-33.3%</td>
<td>0%</td>
<td>20</td>
</tr>
<tr>
<td>7-8 a.m.</td>
<td>-20</td>
<td>-40</td>
<td>-25</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>8-9 a.m.</td>
<td>-50</td>
<td>-50</td>
<td>0</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Noon-1 p.m.</td>
<td>0%</td>
<td>50%</td>
<td>0%</td>
<td>50%</td>
<td>16</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license

### Early Evening and Late News Ratings, Independent Stations

**Sweeps Months, 2007 to 2008**

<table>
<thead>
<tr>
<th>Time</th>
<th>February</th>
<th>May</th>
<th>July</th>
<th>November</th>
<th>Average Number of Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-5 p.m.</td>
<td>-20%</td>
<td>-25%</td>
<td>-40%</td>
<td>-25%</td>
<td>14</td>
</tr>
<tr>
<td>5-7 p.m.</td>
<td>0</td>
<td>0</td>
<td>-40%</td>
<td>0%</td>
<td>22</td>
</tr>
<tr>
<td>7-7:30 p.m.</td>
<td>0</td>
<td>-33.3%</td>
<td>0</td>
<td>0%</td>
<td>13</td>
</tr>
<tr>
<td>9-10 p.m.</td>
<td>33.3%</td>
<td>50%</td>
<td>0</td>
<td>33.3%</td>
<td>19</td>
</tr>
<tr>
<td>10-10:30 p.m.</td>
<td>-10</td>
<td>-0</td>
<td>-11.1</td>
<td>-12.5</td>
<td>18</td>
</tr>
<tr>
<td>10:30-11:30 p.m.</td>
<td>-20</td>
<td>-22.2</td>
<td>-22.2</td>
<td>-12.5</td>
<td>17</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license
CW and MyNetworkTV

The second group of these nonmajor network affiliates is made up of stations affiliated with CW and MyNetworkTV, both of which were started in 2006. In 2008, some stations in the two networks added news. The CW Network is a joint venture between CBS Corporation, former owners of the defunct UPN and Warner Bros. (which owned the defunct WB television network). MyNetworkTV is owned by Fox and also includes many former UPN and WB stations.

However, only 15 CW stations and 6 MyNetworkTV stations have large enough audiences for Nielsen Media to track, according to data from the ratings company. Like independent stations, CW and MyNetworkTV stations, many of which were in operation for less than two years at the end of 2008, get much lower ratings and a smaller audience share when compared to affiliates of ABC, CBS, Fox and NBC. But unlike independent stations, a majority of which produced their own newscasts, many CW and MyNetworkTV affiliates air news produced by other stations, mainly from those in their market, but sometimes from those in other markets.

For example, WTVQ, the ABC affiliate in Lexington, Ky., re-airs some of its newscasts on the MyNetworkTV channel in the same market, but at different times than its own newscasts. This practice of sharing newscasts allows the ABC affiliate to compete with other affiliated station newscasts, including the market-leading Fox affiliate, WDKY, while airing ABC national entertainment programming on its own station. 19

Stations affiliated with the ION Media network, a small number of Fox affiliates, CW and MyNetworkTV stations most often run news produced by other stations. 20

On average, audiences for these new affiliate newscasts are slightly bigger than those of independent stations, according to Nielsen Media Research data. MyNetworkTV stations generally have lower ratings and a smaller percentage of share than independents, according to Nielsen Media Research data.

In 2008, CW and MyNetworkTV stations began expanding the number of newscasts aired, with a handful of stations adding news programming in the evening, when most syndicated entertainment programming traditionally airs on the main networks.

Additionally, a few more stations aired news in the noon hour, between 4 and 5 p.m. and from 10:30 to 11:30 p.m.

But most nonmajor station affiliates broadcast news in four timeslots, in the morning from 5 to 7 a.m. and 8 to 9 a.m., and in the late evening from 9 to 10 p.m. and from 10 to 10:30. Still, the number of CW and MyNetworkTV stations that Nielsen tracks is relatively small compared with samples of major network affiliates.

The results for this growing group of newscasts are mixed. Ratings in the mornings (5 a.m. and 7 a.m.) fell throughout the year. Evening ratings were more divided.
### Local News: Change in Ratings, CW and MyNetworkTV Stations

#### Sweeps Months, 2007 to 2008

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>5-7 a.m.</th>
<th>7-8 a.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CW</td>
<td>MNT</td>
</tr>
<tr>
<td>February</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>May</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>-20</td>
<td>0</td>
</tr>
<tr>
<td>November</td>
<td>-16.7</td>
<td>50</td>
</tr>
<tr>
<td>Average # of Markets</td>
<td>13</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license

### Local News: Change in Share, CW and MyNetworkTV stations

#### Sweeps Months, 2007 to 2008

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>5-7 a.m.</th>
<th>7-8 a.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CW</td>
<td>MNT</td>
</tr>
<tr>
<td>February</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>May</td>
<td>-14.3</td>
<td>0</td>
</tr>
<tr>
<td>July</td>
<td>-16.7</td>
<td>0</td>
</tr>
<tr>
<td>November</td>
<td>-14.3</td>
<td>0</td>
</tr>
<tr>
<td>Average # of Markets</td>
<td>13</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license

### Local News: Change in Ratings, CW and MyNetworkTV stations

#### Sweeps Months, 2007 to 2008

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>9-10 p.m.</th>
<th>10-10:30 p.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CW</td>
<td>MNT</td>
</tr>
<tr>
<td>February</td>
<td>5.9%</td>
<td>-9.1%</td>
</tr>
<tr>
<td>May</td>
<td>0</td>
<td>-22.2</td>
</tr>
<tr>
<td>July</td>
<td>6.7</td>
<td>-33.3</td>
</tr>
<tr>
<td>November</td>
<td>-18.8</td>
<td>0</td>
</tr>
<tr>
<td>Average # of Markets</td>
<td>11</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license
Footnotes


2. The four sweep months are when Nielsen Media Research measures television audiences to help the industry determine advertising rates for television stations


4. We took Nielsen data for all the stations affiliated with the four biggest local television networks in all designated market areas, called DMAs. That gave us the ratings and share for an average local newscast in each time slot in each sweep month. According to Nielsen Media Research, the DMA “identifies an exclusive geographic area of counties in which the home-market television stations hold a dominance of total hours viewed.” There are 210 DMAs in the United States. See Nielsen Media Research Web site, http://www.nielsenmedia.com.
5. For early evening news, PEJ examined data for newscasts between 5 and 7 p.m. in the Central and Mountain time zones and 6 to 8 p.m. in the Eastern and Pacific zones. For late news, we took 11 to 11:30 p.m. in the Eastern and Pacific zones and 10 to 10:30 p.m. in the Central and Mountain zones. Fox stations generally air news at 10 p.m. in the Eastern and Pacific zones and 9 p.m. in the Central and Mountain zones.

6. The evening news broadcast in February 2008 had an average rating of 3.4 points.

7. David F. Carr, “Growing Ratings Despite (Because Of?) Down Economy,” Broadcasting & Cable, March 4, 2009

8. Metered markets are local markets (of which there are 56) where Nielsen Media Research uses set-tuning meters, which report set usage, or People Meters, which report both set usage and persons viewing information. In the majority of markets (154) handwritten diaries are used to track viewing trend and viewer demographics four times a year, during sweeps months.

9. Wally Dean, e-mail communication with PEJ, February 4, 2009.


11. For late news, PEJ examined 10 to 10:30 p.m. in the Central and Mountain time zones and 11 to 11:30 p.m. in the Eastern and Pacific zones.

12. In February, ratings decreased 0.3 ratings point, from 3.5 in 2007 to 3.2 in 2008. In May, ratings were down by 0.1 ratings point, from 3.2 in 2007 to 3.1 in 2008. In July, ratings were down by 0.1 ratings point, from 2.8 in 2007 to 2.7 in 2008. In November, ratings were down by 0.1 ratings point, from 2.7 in 2007 to 2.6 in 2008.

13. Fox airs a nationally broadcast morning program of its own, the Morning Show with Mike and Juliet, in 68 markets, that begins at 9 a.m. A few CBS affiliates that decline to use the Early Show feed from the network air local news during these hours.

14. There are instances when the network news itself airs at 7 p.m., such as the NBC news broadcast in Washington, D.C.

15. While it does not constitute time shifting per se, stations can also generate revenue by producing news for other stations in the market at different times than their own newscasts. More than 200 stations in the United States now purchase newscasts from other places.

16. From data licensed from Tribune Media Services, PEJ examined newscasts schedules of one weekday in November 2008 and compared it with the corresponding weekday in 2007 for all stations in the top 25 DMAs.

17. According to Papper, about 770 stations produced news as of February 2009.

18. Over all, stations not affiliated with a major network get lower ratings and a smaller share of the audience when compared with stations affiliated with ABC, CBS, Fox and NBC. Thus increases and decreases in ratings and share from year to year are generally more volatile than those of affiliate news programs, which get higher ratings and a bigger
share of audience. Since the total number of stations is small, it is hard to draw broad conclusions about the health and future of independent local news programming and local networks. A spike or decline in one market can heavily impact the ratings or share numbers for that month.


20. It should noted that because the audience for CW and MyNetworkTV news is too small in most markets for Nielsen to measure, results reported here each type of affiliate are based on a small sample of markets, and should be interpreted cautiously. Timeslots noon to 1 p.m., 4-5 p.m., 7 to 7:30 p.m., 10 to 10:30 p.m. were not examined for CW and MyNetworkTV either because a valid comparison could not be made, or estimates were based on data from fewer than five stations.

21. Share tells a station how it is performing compared with the other stations in the local area. Ratings give a sense of the total audience and are used by advertisers to determine what price they are willing to pay for an ad on the particular program. James Webster, Patricia F. Phalen and Lawrence W. Lichty, (2000) Ratings Analysis: The Theory and Practice of Audience Research, Lawrence Erlbaum Associates.

**Economics**

**Economics**  
**Introduction**  
*By the Project for Excellence in Journalism*

In a difficult year for media generally, local television stations were hardly immune. Revenue from campaign advertising failed to meet expectations and did not make up for spending cuts from other advertisers, especially automotive and home goods retailers. The potential for adding new revenue through new programs seems to have leveled off.  

Even the Olympics telecasts, which often produce additional ad revenues at least for the affiliates of the network rights holder — NBC in 2008 — failed to put earnings on an upward slope.

And as the year went on, signs of trouble grew and industry groups revised expectations downward. For the year, most expect revenue declines, despite the election. And the outlook for 2009 appears grimmer still. Reports of cutbacks began to emerge in the fourth quarter as stations braced for an expected drop in total advertising revenue far beyond normal non-election year declines.

**Revenues**

Over all, revenues at local television stations appeared by year’s end on a downward slope in 2008, despite the election.

As a rule, local television stations do well in election years, and less well in odd-numbered, non-election years.

For a while, 2008 appeared on track. Revenues looked as if they would grow, although less than in the two previous election cycles.
The media research firm Veronis Suhler Stevenson, in its annual communications industry forecast, projected in August 2008 that ad revenues over all for television stations in 2008 would be 5% higher than 2007. (Even those projected earnings for 2008, $26.3 billion, were less than the $26.7 billion taken in during the previous election year, 2006).

By autumn, however, those projections seemed too high. In November, the Television Bureau of Advertising projected total local television ad revenues would decline 7% from a year earlier by the time 2008 was complete. A month later, another group, BIA Financial, a market research firm, also projected a 7% drop by year’s end, to $20.1 billion.

Chris Rohrs, president of the Television Bureau of Advertising, whose projections are normally in line with those from Veronis Suhler Stevenson, said his group revised the forecast because of “unprecedented economic developments.” From January though September, the group reported, actual ad revenues had already dropped 2% versus the first nine months of 2007.

Two major factors contributed the weakening ad revenues for local television stations in 2008.

In the first quarter, a 100-day strike by the Writers Guild of America shut down production of prime-time scripted network television shows. (Scripted shows are theatrical programs such as Law & Order or Lost, while reality programs such as American Idol and Survivor are mostly unscripted.) As regular viewers of these programs stopped tuning in to the reruns, local affiliate stations also felt the hit, especially for their late local news programs that followed prime time. They rely on viewers of national programs to stay tuned to the local programming that follows.

With fewer viewers, some advertisers sought discounts from stations or shifted spending to cable television. Many local stations already began experiencing tougher times, including, at such CBS stations as KCAL in Los Angeles and WBZ-TV in Boston, a first round of layoffs in April.

Then came the worsening economy, which accelerated into a full-blown crisis in the last quarter of 2008. The industry’s biggest categories of advertisers are automakers and car dealerships, both acutely sensitive to the credit crisis, and as the year went on they reduced ad spending, including on local television.

In addition, some stations began feeling the added burden of the debt taken on by their corporate owners from the purchase of properties that were arguably overvalued in the stronger economy.

Looking ahead, forecasts for 2009 project things to get even gloomier. Just how bad varies on the estimate. Some predicted that it would be the weakest non-election year since 2003, following the last recession.

Others think it could be much worse.

According to 2008 projections by Veronis Suhler Stevenson published in August, advertising revenue is expected to decline 8.3% in 2009. In November, the Television Bureau of Advertising estimated even smaller revenues for 2009, which it estimated would be 7% to 11% lower than its newly reduced expectations for 2008.

But now those may seem optimistic. In the first quarter, industry executives said local TV stations were seeing revenues
down as much as 40%. And in an article foreshadowing many of the problems local television stations would face in planning their budgets for 2009, Deborah Potter, executive director of NewsLab, a journalism resource center, and a consultant to this project, suggests that profits margins have dwindled to new lows. "For publicly traded businesses accustomed to a 40 percent profit margin, 20 percent profit seems paltry — especially to Wall Street," Potter wrote. 6

Local and National Spot Advertising

The advertising slowdown was expected to cut across both categories that make up the bulk of a television station’s ad revenue: local and national spot advertising.

National spot advertising, which typically accounts for about 45% of station ad revenue, comes from companies that wish to advertise in wide portions of the country but for various reasons do not want to advertise on the national television networks broadcast everywhere. (Manufacturers of snow tires, for instance, do not want to reach viewers in Miami and San Diego because viewers there will never need their products, but do in places as far apart as Boise and Boston. By using national spot advertising, these advertisers can buy ads in multiple markets to reach only desired viewers and areas.)

Local spots, which generally make up about the 55% balance of ad revenue, are bought solely by advertisers in a station’s own market. For example, when a local Toyota dealer buys ad time in its local market, it is local spot advertising; when the Toyota company advertises its latest model in a number of local markets, it is a national spot advertisement.

TV Station Advertising Revenues

2003-2008 (in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>National Spot</th>
<th>Local Spot</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009 (est.)</td>
<td>$10.4</td>
<td>$13.7</td>
<td>$24.1</td>
</tr>
<tr>
<td>2008 (est.)</td>
<td>11.7</td>
<td>14.6</td>
<td>26.3</td>
</tr>
<tr>
<td>2007</td>
<td>10.7</td>
<td>14.2</td>
<td>25.8</td>
</tr>
<tr>
<td>2006</td>
<td>11.6</td>
<td>15.0</td>
<td>26.7</td>
</tr>
<tr>
<td>2005</td>
<td>10.5</td>
<td>14.1</td>
<td>24.6</td>
</tr>
<tr>
<td>2004</td>
<td>11.4</td>
<td>14.5</td>
<td>25.9</td>
</tr>
<tr>
<td>2003</td>
<td>10.0</td>
<td>13.5</td>
<td>23.5</td>
</tr>
</tbody>
</table>

Source: Veronis Suhler Stevenson, 2008-2012 Communications Industry Forecast
Before the economic crisis, national spot was faring better than local. In August, Veronis Suhler Stevenson projected that revenue from local spot advertising would decrease by $400 million in 2008, or some 3%, compared with 2006, the previous election year. National spot revenue was projected to remain basically flat. Almost certainly those numbers are now expected to be lower.

And 2009 looks worse. In November, the Television Bureau of Advertising projected that local spot revenue would fall 4% to 8% in 2009. National spot advertising was projected to fall even further, between 11.5% and 15.5% compared with 2008.

Local Cable Advertising

In recent years, cable television has become an emerging competitor to local television spot advertising. Between 2001 and 2007, local advertising on cable grew 66% to $5.9 billion, an annual compound growth rate of 10%. By comparison, the compound annual growth rate for local spot ad revenue from 2002 to 2007 was 1.7%.

One reason cable is gaining is cost. Local cable channels generally charge less than broadcast stations for advertising yet reach a similar geographic audience.

<table>
<thead>
<tr>
<th>Year</th>
<th>Broadcast Local Spot</th>
<th>Cable Local Spot</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Revenue</td>
<td>Growth</td>
</tr>
<tr>
<td>2009 (est)</td>
<td>$13.7</td>
<td>-6.1%</td>
</tr>
<tr>
<td>2008 (est)</td>
<td>14.6</td>
<td>2.3%</td>
</tr>
<tr>
<td>2007</td>
<td>14.2</td>
<td>-4.8%</td>
</tr>
<tr>
<td>2006</td>
<td>15.0</td>
<td>6.6%</td>
</tr>
<tr>
<td>2005</td>
<td>14.0</td>
<td>-3.0%</td>
</tr>
<tr>
<td>2004</td>
<td>14.5</td>
<td>7.3%</td>
</tr>
<tr>
<td>2003</td>
<td>13.5</td>
<td>3.1%</td>
</tr>
<tr>
<td>2002</td>
<td>13.1</td>
<td>—</td>
</tr>
</tbody>
</table>

Source: Veronis Suhler Stevenson, 2008-2012 Communications Industry Forecast
Local cable channels still take in only about half what broadcast stations get in local spot revenue. But cable local ad revenue also seems less prone to fluctuation between odd and even years.

Analysts expect cable’s share of local advertising to continue to grow. For 2005 to 2010, Veronis Suhler Stevenson projected that cable local ad revenue would grow at a compound annual growth rate 8.8%, just under what it has done in the previous six years. Local broadcast ad revenue, by contrast, was projected to have an annual compound rate of growth of 0.2% until 2012.

Thus while local television is expected to remain dominant in local advertising, cable is yet another challenge to the older industry.

**Political Advertising Levels Off**

One sign of this more complicated landscape was political advertising in 2008. Even though the local television industry was disappointed with the amount of political advertising in 2008, it still got about $8 out of every $10 spent by campaigns. 9

Campaigns normally buy advertising on local television because they can target their message to regions or audiences that a campaign’s polling shows are winnable or necessary to win the election.

The spending totaled an estimated $2 billion in 2008, representing 75% to 80% of total political ad spending for all media. 10 Of that, about $1.2 billion, or 60%, came from candidates. The rest of the revenue came from political parties, ad-hoc political organizations and political action committees. 11

The total dollars brought in matched that of 2006, as did the share of total local television revenues that came from political ads.
## Political Advertising Revenues

### 2000-2008

<table>
<thead>
<tr>
<th>Year</th>
<th>Local TV Political Ad Revenue</th>
<th>Total Local Ad Revenue</th>
<th>Political Ad Revenue as a Percentage of Total Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 (est.)</td>
<td>$2 billion</td>
<td>$26.3 billion*</td>
<td>7.6%*</td>
</tr>
<tr>
<td>2007</td>
<td>$700 million</td>
<td>$25.8 billion</td>
<td>2.7%</td>
</tr>
<tr>
<td>2006</td>
<td>$2 billion</td>
<td>$26.7 billion</td>
<td>7.5%</td>
</tr>
<tr>
<td>2005</td>
<td>$1.6 billion</td>
<td>$24.6 billion</td>
<td>6.5%</td>
</tr>
<tr>
<td>2004</td>
<td>$698 million</td>
<td>$25.9 billion</td>
<td>2.7%</td>
</tr>
<tr>
<td>2003</td>
<td>$605 million</td>
<td>$23.5 billion</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

*This $26.3 billion figure was forecast in August, prior to the economic decline. More recent estimates from BIA Financial Network estimate that total television revenues might be as low as $20.1 billion. Using this figure as a basis, political advertising would represent 10% of all 2008 revenues.


For all that, the figures fell short of expectations for a hotly contested presidential election.

And local television stations captured a smaller share of the political spending than in previous cycles. The two sectors that increased their share in 2008 were network and cable television.

With the weakening in the larger local television ad market 2008, political ads made up a slightly larger share of total revenues than in 2006. Political spending on local television increased more than threefold since 2000.

A number of factors contributed to the fewer dollars going to local television stations in 2008. A protracted Democratic primary season, though it generated its own ad spending, reduced the general election period to five months, from eight in 2004.

General election campaign advertising is more widespread and sustained than primary advertising. During primaries, stations only tend to get political advertising for a week for two before the actual voting. The shorter general election phase — though doubtless the campaign did not feel shortened to voters — meant that John McCain and Barack Obama only began to face off against each other nationally in June.

Evan Tracey, the chief operating officer of the media research firm Campaign Media Analysis Group, a part of the ad
measurement company TNS Media Intelligence, told Broadcasting & Cable in December that, “Candidates had more money than there was broadcast time to buy.”

With local television saturated, political ad buys in 2008 grew in other local media instead. Hard figures for local cable, radio, newspaper and online are hard to come by, but the Campaign Media Analysis Group estimates that 2008 political spending on these media ranged between $200 million and $400 million. Analysts at the Television Bureau of Advertising and the Campaign Media Analysis Group said local radio and local cable television were the big winners among that group. Their share of campaign advertising in 2008 grew from 1% four years earlier to 5% last year. 12

For now, local television remains the most popular medium for political spending. But it is unclear whether increased spending on other local media in 2008 might portend further changes for future political spending.

In any case, according to the Television Bureau of Advertising’s vice president for marketing, Jack Poor, local television’s importance in political advertisements will continue “as long as we have the electoral college.” He explained that buying ads on local television allows campaigns to target most of their spending on the most competitive states. “[Campaigns] have gotten so good at polling that they spend 85 to 90 percent of their money in 10 to 12 states where races are 52 to 48 [percent] or closer,” he said. 13

Station Revenues

What does all this mean at the level of the individual local television station? For this, the data are a year behind, from 2007, so it does not reflect the current economic downturn or the shifting of campaign spending. But numbers for revenue by station, as opposed to overall spending across the industry, does reveal that while still a highly profitable business, local television has some underlying concerns.

Average station revenues are falling, when adjusted for inflation, and the impact is being felt most severely in smaller markets.

Earnings at news-producing stations in 2007 fell by an average of 10% from 2006 to $23 million, down from $26 million, according to PEJ’s analysis of BIA Financial data of 795 local television stations. At all stations, the decline averaged 1.3%. 14

Some decline was to be expected. Revenues in odd-numbered, non-election years are historically lower than even years. But the 10% decline in 2007 is matched only by that seen in 2001, when the U.S. was slipping into a recession, and represents a sign that the economy was affecting local television well before it became a full blown crisis in the fall of 2008.

Even when compared with the previous non-election year of 2005, the average revenues in 2007 were down, by about 4%.

In fact, when examining revenues adjusted for inflation, average station earnings peaked in 2000 and have trended downward ever since. While stations are still profitable, a gradual lessening of revenues gives us some clear indication of the structural trend in local television news. It is an industry that is hardly immune to the pressures of the information
revolution, even if it has not yet been hit as hard as some others.

When 1995 and 2007 are compared using constant dollars, revenue declined 21%. The erosion of a fifth of station revenues over a 12-year period raises questions about the long-term health of local television stations.

Average station revenue is of limited use for making assessments of the economic picture at individual stations but is valuable in tracking industry and marketwide economic patterns.

For instance, another explanation for the long-term decline in average station revenue is that more stations have gotten into the business of producing news since the mid-1990s.

Mark Fratrik, the vice president of the BIA Financial Network, believes that the addition of newscasts at Fox affiliates in the 1990s and at CW and MyNetworkTV affiliates in recent years has been driving average revenues down since many
of these stations have smaller audiences and bring in less money than affiliates of the three biggest networks.

For example, PEJ determined that 795 English-language, commercial local television stations produced news in 2007, compared with 714 stations in 2006.

And these smaller stations may be particularly vulnerable to the economic downturn. The 2007 data reveal that small-market stations have had the steepest revenue declines.

Stations in the smallest markets have historically had deeper revenue declines in down years. From 2006 to 2007, revenues at stations in the smallest markets (the 151st-largest and those even smaller) absorbed, on average, a 21% decline, compared with an average of a 6% decline at stations in the top 25 markets.

The average small-market station generated just $4 million in revenue in 2007, less than a fifth of the industry average.

Meanwhile, stations in the top 25 markets averaged revenues of $77 million in 2007, more than three times that of the industry average. Because they reach more viewers, they are able to continue to charge a higher rate to advertisers.

The next bracket, 26 to 50, made $24 million on average, a million dollars above the average for all stations. 15

<table>
<thead>
<tr>
<th>Average Station Revenue by Market Size Grouping, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In millions</strong></td>
</tr>
<tr>
<td>Market Grouping</td>
</tr>
<tr>
<td>1-25</td>
</tr>
<tr>
<td>26-50</td>
</tr>
<tr>
<td>51-100</td>
</tr>
<tr>
<td>101-150</td>
</tr>
<tr>
<td>151+</td>
</tr>
</tbody>
</table>

Source: BIAfn MediaAccess Pro
Average Station Revenue, Markets 1-50
1996-2007

Revenue (in millions)


- Average Station Revenue
- Markets 1-25
- Markets 26-50

Design Your Own Chart
Source: BIAfn MediaAccess Pro
How important is news in the economics of local television?

In general, the answer is that it continues to be very important.

For most stations, certainly those affiliated with one of the major networks, newscasts generate the lion’s share of a station’s revenue. On average, each station made about 45% of its revenue from news broadcasts, according to a 2007 survey of news directors by the Radio-Television News Directors Association. 16

This is higher than the 42% year before, but within the same range as responses in recent years. 17
<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>45</td>
</tr>
<tr>
<td>2006</td>
<td>42</td>
</tr>
<tr>
<td>2005</td>
<td>44.9</td>
</tr>
<tr>
<td>2004</td>
<td>42.8</td>
</tr>
<tr>
<td>2003</td>
<td>46.1</td>
</tr>
<tr>
<td>2002</td>
<td>39.7</td>
</tr>
</tbody>
</table>

Source: RTNDA/Hofstra University Survey
Based on survey responses of news directors

More than half (55%) of all news directors surveyed said their stations were making a profit. Although this figure decreased slightly from the previous year, it does not indicate a clear downward trend, as differences in levels of profitability measured have been small year-over-year since 2003.

Slightly fewer news directors reported in the 2007 survey that their stations are making a profit, and more reported losses than they did the previous year.
Stations affiliated with the four big networks — ABC, CBS, Fox and NBC — were more likely to report making a profit than non-affiliated ones. Fully 59% of news directors at affiliated stations reported profitability, compared with 37% of the independents.

CBS stations had the best year, just as the network did in entertainment programming. Just 7% of CBS station news directors said they showed a loss in 2007, and 62.2% said their stations turned a profit. Fox stations also tended to thrive with news. Six in 10 Fox station news directors said they made a profit in 2007, while 15% said they showed a loss. But the previous year, no Fox station news directors reported a loss, and 70% said they were making a profit. This represents a 10 percentage point drop from 2006 to 2007, and while it may reflect nothing more than a blip, it is worth watching.

NBC stations were similar to Fox affiliates. In all, 59.2% of NBC-affiliated stations reported profits. ABC stations had the toughest year: 53.8% reported profits, a four percentage point decrease from the previous year.
Footnotes

1. Our assessment here is based on a revised projection by the Television Bureau of Advertising, the industry trade association, which indicates a more severe downturn for the industry in 2009.


11. Jack Poor, vice president of the Television Bureau of Advertising, interview with PEJ, December 1, 2008


14. The Project uses BIA Financial Network’s database to calculate station revenue; the last full year for which data are available is 2007. Since there are hundreds of local television stations in the U.S., the report (like previous ones) shortlists those that have news directors (to see if they produce local news) and are commercial and viable. Spanish-language stations are not included. The exact tally of stations cannot be the same every year since stations constantly change ownership or shut down or both, and news divisions are not permanent features of local stations and may be added or removed.

15. According to Nielsen Media Research, there are 210 designated market areas in the United States. Each of these markets “identifies an exclusive geographic area of counties in which the home-market television stations hold a dominance of total hours viewed.” See Nielsen Media Research Web site, http://www.nielsenmedia.com.
16. The RTNDA Survey is annual survey of news directors. The latest survey was released in October 2008. It was conducted by Robert Papper of Hofstra University (formerly at Ball State University) in the last quarter of 2007. In all, 1,647 news local television station news directors took part. An additional 300 interviews were conducted in July and August 2008. A copy may be found in the October 2008 issue of the RTNDA Communicator.


News Investment

By the Project for Excellence in Journalism

Introduction

Signs of belt-tightening abound in the newsrooms of the nation’s local television stations.

The number of news people is shrinking. Fewer stations are hiring and the median staff size heading into 2008 had slid from an all-time high the previous year. The move to expand or add news programs also appeared to be slowing.

And stations are increasingly looking at ways to shoot, edit and produce news video with fewer people.

Salaries for news professionals did grow on average in 2007. But the gains were almost exclusively made by on-air employees. The behind-the-cameras staff barely kept up with inflation. And throughout 2008, there were signs of stations now beginning to jettison some of their most senior people, including top anchors, to save money. Cutbacks accelerated in the last few months of 2008, with all types of newsroom positions being shed.

Moving ahead, 2009 is shaping up to be perhaps even more difficult. In the summer of 2008, a survey of news directors found that most expected staffing levels to be flat in the coming year, and a growing number feared that cuts were in the offing.

And that survey was completed before the economy soured in the fourth quarter. Analysts now warn that the situation in 2009 could be even worse.

One other potentially worrisome development for local news operations is that networks are increasingly demanding money from their affiliates for programming, while in previous years the payments moved in the other direction.

Still to be gauged is whether stations will take better advantage of the extra channels offered by the digital conversion to add such things as all-sports or all-weather channels, and whether cable providers will be compelled to carry them, and how audiences and advertisers will respond if they do. At the end of 2008, local all-weather channels were the most common at many stations, although few had yet to offer different types of content on their digital sub-channels.

TV News Budgets, Staffing Stay Flat

After investing in costly equipment to prepare for the mandatory digital transition planned for February 2009 but delayed until June, news budgets were flat for the most recent year for which there is data.
Fewer than half of all news directors (46%) had increased their budgets 2007, a drop from a year earlier (54%), according to the latest survey conducted by Papper for the Radio-Television News Directors Association. 1

Another third (34%) reported that their budgets would stay at the same level, and 13% reported cutting their news budget, up from 8% in 2006.

Larger stations seemed to fare worse in 2007. At stations in the top 25 markets, about a third of news directors (33%) reported that their news budgets had increased. For stations in markets ranked 101 to 150, 41% said their news budgets increased in 2007, while half of station news directors in markets 26 to 50 (51%) said their news budgets increased.

How did the other commercial stations — those not affiliated with one of the major four networks — do in 2007? Worse, in general, than network affiliates.

Slightly fewer of the independents reported a budget increase than their counterparts at affiliated stations, 44% to 46%. And more news directors at independent stations said they decreased their budgets in 2007; 22% saw budget decreases compared with 13% at affiliated stations.

Papper's survey was fielded in the fourth quarter of 2007, a year before the worst of the upheaval in the economy.

An updated survey of a smaller group of station news directors was conducted in the second quarter of 2008. Responses revealed a drop in confidence among the directors that they would be able to maintain newsgathering resources or add new staffers as they looked ahead.

As he reviewed the data with PEJ, Papper cautioned that the situation likely had worsened throughout 2008, along with the economy, something that news professionals echoed. 2

**Employment Shrinks, Staff Sizes Begin to Fall**

Newsroom jobs began slowly disappearing in 2008, and that trend may well accelerate as the economic turmoil takes its toll in 2009.

The survey of 300 news directors in the summer of 2008 found that there was a small net loss (1.5%) of newsgathering jobs in the first half of the year. 3

Stations in the top 25 markets and those in more mid-sized markets (101 to 150), were hit the hardest, with as many as a third having cut staff.

The survey also found that 29% of stations had already reduced staff in the first half of 2008. About half of stations had held steady, 49%, and 22% had increased staff.

At the time of this survey, most of those news directors expected things not to get too much worse. Fully seven in ten said they anticipated their news staffs would remain the same over the following few months. And twice as many news directors (18%) expected to expand their staffs in the coming months of 2008 as thought they would have to cut
positions (9%).

But all that optimism was certainly buffeted, if not erased, when the economic crisis gained momentum in the fall.

How much effect did the economic crisis have across newsrooms late in the year? There were some major examples of cuts, including stations firing high-priced, long-time anchors. Papper, a consultant to this report, told PEJ that in the final months of 2008 stations made cuts across all departments, including news.

While some stations cut back on news programming toward the end of 2008, most made more use of part-time staffers and maintained the amount news on their stations.

Papper suggested, however, that with newsrooms already stretched thin, many stations would have to reduce the amount of news programming if the industry experiences further significant cutbacks in 2009.

Even as early as late 2007, when the last full RTNDA survey was conducted, there were signs of cost cutting. Stations, for instance, had increased their reliance on part-time staff. The median number of part-time staff doubled in 2007 compared with 2006 (to six).

The staffing in local television newsrooms was not large to begin with. For 2007, in the biggest markets, those 1 to 25, the median newsroom size in the latest survey available was 58. The next biggest market (25 to 50) was 56. And markets 100 and below averaged 28 people.

Cuts were evident in the median size of newsrooms. After hitting an all-time high of 30 in 2006, median employment dropped by 2 the next year. What growth there was tended to happen at stations in the biggest markets (1 to 50). Reductions were experienced in markets 51 to 150 and there was no change at stations in the smallest markets (151 and up). Stations affiliated with the four big networks mostly held steady. They averaged 39.3 full-time staffers vs. 38.3 in 2006. But the median showed a two-person decrease from 2006 figures to 32 employees.

Newsroom staffs at independent stations are generally smaller than those at affiliates. And in 2007, staff sizes at the nonaffiliated seemed to fall more than at affiliates.
Salaries Grow for On-Air Staff, Managers, Flatten for Others

If budgets were flat, one element on the balance sheet that was growing at least for some people in late 2007 was salaries.

According to the Papper survey, salaries for local television news professionals rose after barely budging in 2006. The increase averaged 5.1% in 2007.

The increases, however, were not spread around. The increase was mostly at stations in the top 25 markets. For all other markets, pay increases failed to rise above the 4.1% inflation rate for 2007.

Within the newsroom, the news director was best compensated. The median salary of a news director was $80,000, an increase of more than 7% increase over the previous year’s $74,000.

News directors have had similar increases in each the last 10 years. Salaries increased 51% between 1998 and 2007.
The next most highly paid employees were assistant news directors ($68,800) and managing editors ($56,000). Assistant news directors had a slight increase in median salary from the year before, when it was $63,000, but managing editors had a slight decrease from 2006, when the median salary was $58,000.

Salaries for these jobs have risen 29% on average since 1998.

Salaries over Time
Median Salaries, 2006-2007

Design Your Own Chart
Source: RTNDA/Hofstra University Surveys
Based on survey responses of news directors

On-air positions (news anchors, sports anchors and weathercasters), taken together, have had similar increases between 1998 and 2007, up 52%.

But these salary increases for the anchors and other talent also grew much faster than those for behind-the-scenes employees such as graphics specialists, executive producers, managing editors and photographers.

Shedding High-Priced, Experienced Anchors
As the economy worsened in 2008, however, a growing number of stations appeared to be addressing the issue of salary increases with a new trend — shedding some of the high-priced anchors once seen as the key to a local station’s brand and its place in the market.

Anchors in Boston, Houston, Denver and Fresno, Calif., lost their jobs in 2008. Staffing cuts for other positions were made at stations throughout the country.

Al Primo, a television news consultant, told the New York Times in November that anchors’ salaries, which reach seven figures at some stations in the biggest markets, seemed “out of sync with the reality” of budgets at stations. Papper, however, argued that letting go longtime anchors is not a broad trend and is mostly determined by ratings and the anchor’s value to a station. “Higher-priced talent at nonmarket leaders is certainly in danger,” he told PEJ. “But it’s always been about [an anchor’s] contribution, what you bring to the table.”

What impact this will have on stations remains to be seen and could bear some resemblance to a similar knowledge drain occurring in newspapers. Press reports in November and December of 2008 suggested that stations across the U.S. were making sizable cuts to their staffs, including traditionally more expensive on-air talent.

Some of the most high-profile job cuts were made at WNBC, New York, four on-air reporters were let go in December; and at KNSD, the San Diego NBC affiliate, where 24 newsroom staffers lost their jobs. Also in December, KSTP, the Twin Cities’ ABC affiliate, dismissed 18 in December. And KJZZ, an independent, Salt Lake City station, dropped 24 news employees.

John Beard, an anchor at KTTV, the Fox affiliate in Los Angeles, who was let go by the station in December 2007, argued that the loss of these veteran anchors will weaken the journalism these stations produce because these people were the institutional memory of the stations who knew the community best. “Basically, you replace someone who knows City Hall with someone who can’t find it,” he told the New York Times in November 2008.

Whether that is true may depend on the anchors and the degree to which they functioned as editors at their stations or just readers of the teleprompter.

Less visible staff reductions — those of reporters or production staff — may have an even bigger impact on newsgathering. “The loss of higher-paid, experienced reporters is more likely to negatively affect coverage than the loss of an anchor who has probably spent little time reporting for a while,” Papper said.

Uncertain Future for Network-Affiliate Model

Staff reductions at local television stations come at a time when the networks most stations are affiliated with — ABC, CBS and NBC — are sending signals of a coming shake-up in the network-affiliate model.

These include changes in financial arrangements between networks and their affiliates and a reduction in the numbers of hours of national programming from networks. And at least one network (CBS) envisions distributing its programs directly through cable and satellite systems within the next decade — thus circumventing or cutting ties completely with
Reverse Compensation

Though the financial arrangement between networks and their local stations varies with each contract, most affiliates are paid to broadcast network shows.

The amount they pay is based on the station's strength in its market and how important the market is to the network. This has been an important source of income for local broadcasters. But that seems to be changing.

Fox was the first to turn that system upside-down. A decade ago it required affiliates to pay the network for programming. In 2008, the first of the Big Three networks, NBC, followed suit. In July, the network began to demand compensation for programming from affiliates renewing contracts. Specifically, CBS is seeking to get a portion of the money affiliates receive from cable operators, who are required to pay local television stations to transmit their station signal. The network believes it is entitled to a stake of these revenues — called retransmission fees — since it provides local stations with national programming like NFL games which can attract large audiences.

Analysts predicted the other networks would emulate NBC and Fox in coming years. CBS had already been reducing the amount of money paid to local stations.

The change hurts small-market stations disproportionately. Generally, stations in markets with more viewers are more important to the networks, and as a result have more leverage to negotiate whether or how much is paid to a network.

Should the reverse-compensation model become the norm, many small-market stations fear they will have to cut back on local programming, including news, to make up for the higher costs.

Programming and Distribution

There were also signs during the year that the traditional relationship between networks and their affiliates could be nearing an end.

Leslie Moonves, the CBS CEO, told reporters at a December 2008 meeting of network executives and advertisers that within 10 years, CBS may no longer have traditional affiliated television stations, but might offer its programming directly to cable and satellite providers.

Doing that would give the networks revenues from subscriber fees, which tend to be more consistent than local advertising.

The NBC Universal CEO, Jeffrey Zucker, announced at the meeting that the NBC network would likely cut back the number of hours it programs for entertainment shows, like 30 Rock, The Office and Law and Order. Next fall, NBC will
start Jay Leno’s new program at 10 p.m. on weekdays, effectively shortening the prime-time window for scripted programming to two hours a night on those days.

The Big Three networks — that is, ABC, NBC and CBS — program 22 hours a week over seven days, but they do not offer original programming on Saturday. Only CBS runs all-original scripted programming on Friday in prime time. Fox programs 15 hours a week over seven days. CW and MyNetworkTV do less and program only six nights a week. 16

Changes — or an end — to the network-affiliate model would significantly impact the local television industry. While a reduction in the amount of programming from networks would give local stations more opportunities to sell ads, affiliates often rely on lead-ins from the networks’ entertainment programming to attract viewers to late news broadcasts.

An end to the network-affiliate model would have more dire consequences for affiliates. With less or no national programming from the networks, stations would likely be at a disadvantage in negotiating fees for retransmission of their programming on cable and satellite systems.

As 2009 began, the traditional network-affiliate model remained intact but unsteady. The changes foreshadowed in 2008 may prompt stations to expand beyond traditional local programming (mostly news) into more varied content as a protection against audience erosion.

Most network-affiliate contracts don’t expire until 2012 or 2013, which suggests any fundamental changes to the affiliate model won’t happen quickly. 17

But some stations are preparing for what could be the inevitable scenario. Lisa Howfield, the general manager of KVBC in Las Vegas told the Wall Street Journal in February 2009 that her station is going about business “like there’s no tomorrow.” This includes cutting costs — through staff reductions, consolidation and putting off investments in equipment — drumming up new advertising business, and generally, learning to survive on much lower revenues. 18

Amount of News on Local TV Levels Off

In previous years, station owners have boosted revenues amid declining ratings for existing shows by adding new news programming to their schedule. As a consequence, the amount of news on local stations swelled as stations added morning shows and extended nightly news broadcasts into other hours.

There is evidence, at least in the latest data available, that this trend may be running out of steam.

At the end of 2007, news directors reported airing an average of 4.1 hours of news each weekday, identical to the year before. And a majority said they expected no increase in the amount of news in 2008.

Previously, stations facing declining audiences for nightly newscasts had added early morning and even midday news programming to recapture viewers who were not home when traditional newscasts aired around the dinner hour or late afternoon. That also provided a way to attract new revenue: If you cannot charge more for advertising when the ratings are down, or add more commercials into the programs you have, create new programs instead.

Stations affiliated with one of the four major networks — ABC, CBS, Fox and NBC — were the most likely to add news
because they could add local newscasts before or after network ones when audiences are already tuned in. Unaffiliated stations produce an average of one hour less of news per week (3.1 hours) than affiliates. 19

Stations continued to tinker with timeslots for news, adjusting the length and start times of newscasts to attract the most viewers in the morning, midday, evening and late night. But aside from simultaneously broadcasting newscasts on new digital channels in 2008, stations did not seem to add many more newscasts.

If the trend toward adding more programs has leveled off, where does that leave stations? There are other revenue opportunities. One of those is that stations can look to add sponsorships of particular program segments such as weather or traffic reports to boost revenues. There are no data on whether this is increasing, but anecdotally industry professionals see it as a trend, especially as stations look to bolster declining revenues from spot advertising. 20

<table>
<thead>
<tr>
<th>Year</th>
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Source: RTNDA/Hofstra University Surveys
Based on survey responses of news directors

**New Models for News Gathering**

**Pooling Coverage**

As stations sought to trim their staffs in 2008, two big players in the local television industry were moving toward
combining some newsgathering operations at local stations as they headed into an uncertain 2009.

Fox and NBC, the top two owners of local television stations, based on revenues — announced in November they would launch a video news service similar to the newsgathering model of the Associated Press. (The AP is a news agency cooperatively owned by its 1,500 U.S. daily newspaper members that provides news to the print media, radio and television stations.

Under the new Fox-NBC partnership, which was begun in January 2009 in Philadelphia, the owned and operated stations of NBC (WCAU) and Fox (WXTF) dedicated staffers to a joint video service who are dispatched to the scenes of breaking news to shoot video and avoid duplication between the stations.

The stations share the raw video but edit and package their own stories. The individual stations also have the option of sending additional reporters out on stories. The joint service also makes the content available to other local media outlets, including print, radio, Web sites or rival stations, for a fee. 21

The service is meant to allow the individual stations to focus their resources on signature enterprise reporting. Enterprise stories are normally topical, aimed at contextualizing trends, lifestyle and lessons for audiences, and are less focused on events themselves.

The local media partners intend to bring this news pool model to other markets where NBC and Fox both own and operate stations in 2009. 22

It is too early to assess the impact of Fox and NBC’s pool coverage experiment, but it is a model that other local television ownership groups could consider emulating if news budgets continue to dwindle.

**Multimedia Journalists**

Another cost-conscious newsgathering model grew in prominence in 2008 as technology made it easier for reporters at local television stations to produce their own stories.

The availability and ease of use of inexpensive video cameras, laptop editing applications and the Internet have made broadcast journalists better able to shoot and edit news segments. And for at least one station in Washington, it means the end of the television news crews as industry professionals have known them. WUSA, owned by the Gannett Company, announced in December 2008 that it would replace its news crews with single all-in-one reporter/editor/producers known as multimedia journalists in 2009. 23

The streamlined approach to television coverage combines a range of news producing functions normally done by at least four separate staffers – camera operator, correspondent, news producer and editor.

Previously, labor agreements between unions and television stations divided responsibilities among the newsroom’s reporters and camera and production staffers. 24 Two unions, the American Federation of Television and Radio Artists, which represents on-air reporters, and the International Brotherhood of Electrical Workers, which represents production employees, reached agreement with WUSA on new contracts that paved the way for the staffing changes in December.
The station was the first major-market affiliate to completely replace its news crews with single-person crews.

But the one-person newsgathering model has been used more often by stations in small markets with less financial resources. Mike Devlin, the president and general manager at WFAA in Dallas-Fort Worth, told PEJ in January that reporters at some small-market stations have long reported, shot and edited their own stories.

The single-person operations also have been used by some network and cable news operations but have not entirely replaced reporting teams as it has at WUSA.

Earlier in 2008, CNN deployed one-person “all-platform journalists” in ten cities, while the newspaper industry has begun deploying multimedia “mobile journalists” to report and write stories, and capture accompanying photographs and video, all of which are uploaded to the Web.

Even more than pooling video coverage among television stations, the multimedia journalist newsgathering model has caused concerns about quality among veteran television news reporters.

Bill Lord, the news director at WJLA, the Washington ABC affiliate and a WUSA competitor, said television reporters were not equipped to do all elements of news production equally well. He told the Washington Post in December, “If you’re forcing everyone to do things against their skill levels and desire, your product suffers.”

Still, with fewer dollars to pay newsroom employees at local stations, many are looking for ways to simply produce more video with fewer people.

Sharing Newscasts

Another trend that appears to be slowing is the practice of a station sharing stories or even whole newscasts with other television news operations.

In recent years it had become common for stations to sell video or even packaged stories as a way to make money. Sometimes the sharing is done with stations in other markets or with competitors that air in the same market at different times.

For stations with limited newsgathering resources, getting content from a competitor could be the most cost-effective way to produce stories it could not otherwise report. Often they customize the story by having their own staff provide the lead-in or voice-over to the video.

The data from Robert Papper of Hofstra University offers evidence that this may be declining, perhaps as a cost-saving measure by stations unwilling to make the purchases. In late 2007, 24% of stations got programming segments from other stations that originated news. That compared with more than a third, or 37%, in 2006.

News for Other Platforms

Providing news to other local broadcasters is just one way that television stations share their content.

Local television stations routinely provide content to other platforms, notably for their own or others’ Web sites, local
radio stations and cable news channels.

In 2007, fewer stations reported sharing content with local radio stations (39%), a 10-percentage point decrease from 2006.

About the same number of stations reported sharing content with cable channels in 2007 (16%) as they did in 2006 (15%). Non-affiliated stations are beginning to share content with cable channels at a higher rate. In 2007, 15% of news directors at these stations reported sharing content with cable channels. In 2006, none reported sharing content with cable channels.

Fully 81% of stations in 2007, the most recent year for which survey data are available, reported posting their television content online, on their own or other Web sites, the same number as the year before.
Footnotes


3. Extrapolating his survey data to the entire population of those employees in newsgathering positions at local television stations, Robert Papper said the number of jobs lost in the first half of 2008 totaled about 360.


5. The average, which Papper considers a statistically less accurate measure of newsroom health than the median, grew slightly, to 37.3 from 35.8 from the year before. That is highest level since RTNDA began surveying news directors. The inclusion of stations in big markets, with much disproportionately larger newsroom staffs than stations in smaller markets, generally skews the average upward.


7. The Papper survey found that the average staffing at independent stations decreased 20% in late 2007 to 25.5 full-time staffers, down from 30.5 in 2006. The median measure shows 6.5 fewer staffers at independent stations, down from 28 in 2006. But due to limited sample size, Papper notes that it is wise to be cautious about interpreting too much from sharp one-year changes in the survey data.


28. Congress passed legislation to move the digital television transition “hard date” from February 17 to June 12, 2009. About a quarter of all local television stations discontinued analog transmission on February 17, and more are expected to shut off analog signals on March 14 and April 18. These “soft dates” approved by FCC, on which a limited number of stations may be allowed to transition to solely digital transmission.


Ownership

Ownership
Introduction

By the Project for Excellence in Journalism

The ownership landscape for local television in 2008 changed less than many expected.

The sale of television stations, as with station revenues, tends to spike in years with elections and Olympics. But 2008 defied the pattern.

The number of transactions was a fraction of previous years. And industry analysts reported a backlog of stations for sale. 1

The average sale price of stations, however, was up. Private equity investors were again major players in the deals that were concluded. 2 Meanwhile, the stock values of publicly traded firms that own stations plunged (along with the rest of the stock market) as local ad revenues and tight credit markets took their toll.

Over all, the lineup of companies that owned the media continued to be dominated by the four big networks’ parent companies—News Corporation (Fox), General Electric (NBC), CBS and Disney (ABC) — as well as some companies that also own newspapers, such as Tribune, Gannett and Hearst-Argyle.

The private investors that led many purchases of television stations in 2007, including Hoak Media, Bonten Media Group and Oak Hill Capital Partners, bought fewer stations in 2008, mostly because financing for deals was hard to come by.

2008 Sales Few, Private Equity Dominates

The number of stations trading hands in 2008 was the lowest since 2004 and was less than half the figure reported in 2007. The total value of the transactions through October 2008 was less than a quarter of the value of transactions in 2007.

According to market research firm BIA Financial Network, 96 stations were sold from January to December 2008, with a total value of $866 million. This compared with 270 in 2007 for $4.6 billion. In total dollars, 2006 still stands out with $18.1 billion spent, largely due to the $13.7 billion of Spanish-language broadcaster Unvision and a large number of sales involving stations with digital broadcasting capabilities and those in mid-sized markets, which financial analysts had predicted to grow following the digital conversion. (See State of the News Media 2007)
In 2008, the sales that fell through and the inventory of stations left unsold were in some ways more notable than the deals that closed.

In general, station groups seemed less willing to take on additional debt by making new purchases in 2008 than they had in the previous two years.

Heavy debt loads from financing sales of stations that proved to be worth less than originally estimated have put a financial strain on some ownership groups, especially ones that own fewer stations relative to big players in the industry.

Young Broadcasting, which bought KRON-TV in San Francisco in 2000 from Chronicle Publishing Company for $823 million, sought to unload it in 2008. At the time of the sale, industry analysts thought Young, which outbid NBC for the station and as a result lost its NBC affiliation, paid too much for the station, and revenues have declined since. The station, which began operating as a MyNetworkTV affiliate in 2001, has seen its fortunes diminish since the change in affiliation. KRON brought in $57.2 million in 2007, according to BIA Financial, down from $160 million in 2006.

In August, Young wrote down $139 million in debt, reducing the station’s value to $227 million, while analysts placed its sale value somewhere between $125 million and $150 million in September. Even at a reduced price, the station remained unsold as of December 2008.

And in February 2009, Young — the owner of 10 stations in all — filed for Chapter 11 bankruptcy protection. Like Young, other station groups like Media General, also sought unload stations in an attempt to reduce debt.
Debt, and the inability to refinance it, was one of a range of financial strains that dampened the station sales market in 2008. Over the last several years, owners borrowed money to finance sales or the conversion to digital broadcasting at their stations.

Though stations have upgraded their equipment for digital television broadcasts, many — especially stations in smaller markets — are still paying off these investments.

Adding to the debt pressures that limited sales of television stations in 2008, a severe downturn in credit markets prevented sales that were in progress.

The bankruptcy and sale of the Wall Street investment banking firm Lehman Brothers in September scuttled the biggest single station deal that was agreed to in 2008. In October, the sale of Landmark Communications’ WTVF in Nashville to the private equity firm Bonten Media Group fell through. The sale, worth $209 million, was to have been financed by Lehman Brothers, which went bankrupt and was sold in September 2008.

Bonten operates 17 stations in nine markets. The group is led by former Emmis Communications president Randy Bongarten. Emmis had previously sold all of its local television properties. Landmark, a privately held company, sought to sell off all its broadcast media properties in 2008 to focus on its publishing, database marketing and career education businesses.
Adding to the fiscal strains, a slump in revenues in the slowing economy also eroded station appeal as advertising from retailers, especially car manufacturers and dealers and home goods resellers — the bread and butter of station ad revenue — plunged in the second half of the year on weak consumer sales.

Even the promise of a new advertising revenue source from additional content streams in the coming digital era failed to drive station sales.

And the growth of emerging revenue streams that once proved enticing to buyers failed to keep pace with declines in traditional advertising. These emerging revenues, mostly from station websites and the fees local cable operators pay to stations to distribute their programming to subscribers, have been the fastest-growing source of revenue. In previous years, the rapid growth of this revenue had fueled interest in, and sales of, local television stations.

Not so in 2008.

One reason is that station websites, despite continuing to add more users, showed signs of slowing revenue growth in 2008.

Another hopeful source of new revenue for broadcasters has been slow to develop. The switch to digital broadcasting, required by February 2009, gives stations the ability to broadcast additional channels on the digital spectrum. This provides new opportunities for programming and ad sales, but it requires additional investment that not all stations were able to afford.

Mike Devlin, the president and general manager of WFAA in Dallas-Fort Worth, told PEJ in January 2009: "In this economic situation, stations are reluctant to invest in programming, which mostly comes from third parties."

Devlin said marketers have been offering Spanish-language programming, movie networks and classic television to station managers to put on their digital sub-channels. But, he suggested, in the midst of a major advertising downturn, stations feared they may not be able to sell enough ads on the sub-channels to turn a profit. Compounding the problem, the ad rates are likely to be lower on the sub-channels. As of January 2009, BIA Financial Network estimated that about 350 stations in the U.S. were using a second digital sub-channel.

With slumping traditional revenue, and insufficient gains from emerging businesses, the stock prices of local television companies hit their lowest point in 2008 since the recession of 1991-92.

This was an unwelcome turnabout for station owners, who saw stock values grow at double or triple the rate of the overall market in 2007.

**Major Transactions Upended**

The collapse of the sale of WTVF as a result of Lehman Brothers failure was one of two major cancellations during 2008.

In December, NBC Universal’s intended sale of WTVJ in Miami to the Washington Post Company was canceled. The
deal, which was set to close by the end of 2008, was estimated to be worth $205 million. Industry analysts had previously pegged the station’s value at $350 million to $400 million.

NBC and the Washington Post Company announced in December that the sale would not go through because of “the current economic environment and the delay in receiving the necessary regulatory approval.”

If the sale had been completed, the Washington Post Company, which owns WPLG, the Miami ABC affiliate, would have owned two stations in the market, the 16th-largest in the U.S. The ownership of two major network affiliates by one company made the deal subject to the approval of the Federal Communications Commission. Analysts suggested that the Post Company would have sought to cut costs at the stations by sharing some operations, thereby reducing overhead.

NBC’s attempted sale was indicative of a trend among the network parent companies to sell stations they operate outside of the 10 largest markets in the U.S. NBC Universal put WTVJ up for sale along with its station in Hartford, Conn., WVIT, to concentrate on stations in the most profitable markets. (WVIT remained unsold as of December 2008.)

In 2008, CBS completed its divestiture of 50 medium- and small-market stations, which it began in 2006. The company sold four stations to Four Points Media Group, a television station holding company founded by the private equity firm Cerberus Capital, for $185 million. Four Points bought two CBS owned-and-operated affiliates (KEYE-TV in Austin, Texas, and KUTV in St. George, Utah) and two MyNetworkTV affiliates (WLWC-TV in Providence, R.I., and WTVX-TV in West Palm Beach, Fla.).

Other sales during the year involved companies in financial distress.

One such company was Pappas Telecasting, a privately held commercial television group that owned 27 stations at the start of 2008. It filed for bankruptcy in May and put 16 stations up for sale to pay down debt. Pappas sold eight stations in Nevada and California to Entravision, a Spanish-language media company for $4 million.

Entravision is the largest affiliate group of both the Univision and TeleFutura networks. In December 2008, the New York Stock Exchange threatened to delist Entravision stock because it had fallen below $1 a share during the previous 30-day period. The company was given six months to raise its stock price to above $1 before being delisted.

Another Pappas station was sold only after the FCC was convinced that the station was at risk of being shut down. The station, KWBA of Tucson, Ariz., was bought by the Journal Broadcast Group. Because Journal owned another station in the market, the deal required the FCC to waive its limit on multiple stations in the same market being owned by the same company. (Waivers can be granted if the station’s only other option is closing or operating at a competitive disadvantage.)

As a part of the deal, Journal agreed to broadcast a 30-minute daily newscast on KWBA, which had not had a newscast since 2005.

The remaining Pappas stations were put up for sale at bankruptcy auction in December 2008.
In January 2009, Pappas sold its remaining 10 stations to New World TV Group at bankruptcy auction for $260 million. The buyer group was made up primarily of the Pappas creditors. The stations include KMPH-TV (Fox) and KFRE-TV (CW), both Fresno-Visalia, Calif.; KTNC-TV (TuVisión), San Francisco-Oakland-San Jose, Calif.; KAZH-TV (TuVisión), Houston; KPTH-TV (Fox) and KMEG-TV (CBS), both Sioux City, Iowa; KPTM-TV (Fox) and KXVO-TV (CW), both Omaha, Neb.; KDBC-TV (CBS) El Paso, Texas; KCWK-TV (CW), Yakima-Pasco-Richland-Kennewick, Wash. 15

Often, broadcasters sold stations to raise cash for debt payments.

Media General, a company with interests in newspapers, television stations and interactive media situated primarily in the Southeast, sought to sell five stations, hoping to raise $100 million that it said it wanted to use to pay lenders.

As of December 2008, the company had sold four of them, with the sale of WCWJ in Jacksonville, Fla., pending. Media General sold WTVQ in Lexington, Ky., in May to Morris Network; WNEG in Toccoa, Ga., to the University of Georgia Foundation in June; WMBB in Panama City, Fla., and KALB (a joint NBC/CBS station) in Alexandria, La., to the private equity group Hoak Media in July. 16

Observers of the local television industry have described a confluence of factors as contributing to a drought of sales in 2008. These include problems in the wider economy, such as a tight credit market and less investment over all, and problems specific to the industry, such as declining revenue from advertising.

For the remainder of 2009, industry forecasts predict continued weak revenues from traditional advertising and a slowdown in new revenue streams.

**Big Broadcaster Files for Bankruptcy Protection**

Another major ownership development in local television was that Tribune Company, the owner of 23 local television stations, filed for bankruptcy protection in December 2008.

The company, which owns stations and newspapers in the top five media markets and many other big markets, will likely look to sell the 13 CW, 7 Fox, 2 MyNetworkTV and the single ABC station it owns in 2009. But if the sales market for stations continues its slump, as some observers have suggested, Tribune could have trouble selling even its most valuable stations. 17

A number of analysts expect sections of Tribune to be auctioned off in pieces. 18 In 2007, the Chicago billionaire real-estate investor Samuel Zell bought the Tribune Company and became its chairman and CEO. The Federal Communications Commission granted a waiver of rules limiting the cross-ownership of newspapers and television stations to allow Zell’s purchase of the company.

**FCC Regulations Up In the Air**

Beyond its actions on individual waivers, in 2007 the FCC relaxed rules that limit companies from owning properties across media in the same market.
Presenting what he called a compromise, Kevin Martin, the FCC chairman at the time, called for relaxing the ban on cross-ownership only in the top 20 markets. His plan gave companies, under certain conditions, the right to own both a newspaper and a television or radio station in those larger markets.

The FCC’s 2007 measure grew out of a more far-reaching deregulatory plan proposed by Michael Powell, another previous FCC chairman, in 2003 (see previous reports). After the Powell measure was overturned in federal court, the more limited one from Martin was intended to have a stronger legal basis and also to articulate the middle ground between opposing sides.

Instead, however, the latest cross-ownership decision has opened the floodgates to challenges of the policy from both sides. It has been opposed by pro-regulatory groups that say the FCC went too far in relaxing the rules as well as by industry groups that want the ban lifted for all markets.

Tribune challenged the FCC’s rule relaxation, hoping for the deregulation of ownership in all markets, not just the top 20. It is unclear how Tribune’s bankruptcy will impact the proceedings. Media General, which had four waivers for its properties in smaller markets, was given permanent waivers, much like Tribune.

Martin said in 2007 that the partial lifting of the ban was meant primarily to improve the flagging health of newspapers.

The two national groups representing the industries most directly affected by the proposed rule change, the Newspaper Association of America and the National Association of Broadcasters, support deregulation on cross-ownership and argue that FCC didn’t go far enough in 2007.

The only media industry group to join the pro-ban chorus in 2008 was the Computer and Communications Industry Association (whose members include Microsoft, Google, T-Mobile USA and Yahoo), which opposes further consolidation of communications channels.19

With broadcasters and activists both trying to get cases challenging the FCC’s rules moved to other courts, a ruling on the commission’s cross-ownership is not likely to be issued soon.

The uncertain future of the rules on ownership did not, by itself, stunt station sales in 2008. The FCC normally grants temporary cross-ownership waivers to allow sales that would be affected by the 1975 ban. If the 2007 decision is upheld in court, however, the rules could fuel a spate of sales, at least in the short term.

The composition of the FCC and the Justice Department in the Obama administration will no doubt affect the future of cross-ownership. Less clear is President Barack Obama’s position on the rule. There have been some indications that Obama will work to roll back the FCC’s loosening of the newspaper-broadcast cross-ownership rule.20

**The Top Local TV Companies by Revenue**

The top-earners in the local television industry continue to be familiar names, as least as of 2007, the last full year for which revenue figures are available.

If we look at the top parent companies that year, three media conglomerates led the local television industry. News
Corp., which operates nationally through the Fox Television group, continues to earn the highest revenues in the television sector. General Electric follows with its NBC stations, and then comes CBS.

<table>
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<tr>
<th>Rank</th>
<th>Name of Company</th>
<th>Number of Local Stations it Owns</th>
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<td>1</td>
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<td>2</td>
<td>NBC/ GE</td>
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<td>3</td>
<td>CBS Corp.</td>
<td>31</td>
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<td>ABC/ Disney</td>
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<td>Tribune Company</td>
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<td>Sunbeam Television</td>
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</table>

Source: BIAfn MediaAccess Pro
Note: Companies ranked according to their 2007 revenues
Big Four Networks Dominate

When it comes to content, most U.S. television stations get programming from one of the four large networks — ABC, CBS, Fox and NBC.

These four companies make money from supplying programming to their affiliates. They do not, however, necessarily own a large number of stations. Among them, NBC owns the most stations, 34. In 2008, CBS sold four stations, Fox sold nine stations and NBC sold four. ABC ownership has remained basically unchanged from 2007.

The CBS group has 31 stations and ABC is next with 10. 21

The big station owners are groups like ION Media Networks (with 63 stations), Sinclair (55), LIN TV (50) and Raycom (41). Since 2007 Raycom acquired two stations and LIN acquired five, while Broadcasting Media Partners sold six and Sinclair sold eight.

Footnotes


5. Allison Romano, “Cutting Bait on Subchannels,” Broadcasting & Cable, January 18, 2009


Digital Trends

Digital Trends
Introduction

By the Project for Excellence in Journalism

Online advertising has been a small but growing part of local television revenue. But in 2008, it proved as vulnerable to the economic downturn as traditional on-air advertising.

As online advertising growth began to slow down, broadcasters looked hopefully toward a potential technological innovation: local television on cellphones.

If all goes as planned, the first Americans could begin viewing live television on their specially equipped handheld devices in late 2009 as broadcasters convert to digital transmission and broadcasters and mobile device manufacturers come to agreement on standards.

The potential for revenue gain though wider exposure to advertising or subscriptions is obvious. And it couldn’t come soon enough for many station owners, who have seen the once-meteoritic growth in their websites slow despite new investments in sophisticated news-you-can-use content, including traffic and weather reports.

Digital Revenue Growth Slows

For local television news websites, 2008 was a year that began with forecasts of exponential revenue growth but ended with reduced expectations that would put the sites just above their 2007 figures.

Borrell Associates, a media research, consulting and project firm specializing in local Internet advertising, projected in March 2008 that local television stations would see brisk revenue gains online in 2008 — a 47% increase to $1.1 billion, from $772 million in 2007. In November, Borrell adjusted its projections and while it still saw online revenues growing
year to year, it reduced expectations to a mere 8% growth. 1

The slackening of digital revenues at local television stations suggests online advertising was susceptible to the downturn in the local ad market, although perhaps to a lesser magnitude than on-air advertising.

The collapse in the local automotive and home goods and improvement categories of consumer advertising in the last quarter of 2008 dampened expectations for what stations thought would be a good year for the Web.

Television stations have gained a greater share of local online ad revenue, however. Borrell Associates estimated that the stations’ share of the local online market grew from about 2% to about 10% between 2004 and 2007, the latest year for which data is available. Local television’s share still lags that of newspapers or online-only media outlets such as Citysearch and Yelp, but is thought to be gaining at the expense of local newspapers. 2

But these revenues still make up a small part of station revenue. Most stations get less than 2% of revenues from online operations. Just 12% of stations, according to Borrell, made more than $1 million from online in 2007. On average, stations pulled in $480,000 from television station Web sites in 2007. (Small-market stations generally made less than $350,000, while large market stations averaged about $750,000. 3)

While the money is small, stations are getting more serious with their online ventures, including hiring more people to sell online ads exclusively. 4 The reason is simple. While small, the revenues from the Internet are growing and that makes them significant in the increasingly difficult world of local television.

But according to Gordon Borrell, the CEO of Borrell Associates, the sharp slowdown in digital ad revenues at local stations could have an outsized impact on budgets in 2009. He told Forbes.com in December that many stations that have come to expect rapid growth in online ad revenues in previous years have compiled their 2009 budgets based on the earlier, more generous, projections. 5 In March, Borrell had projected a 26% growth rate for 2009. The company has not publicly released new projections, but doubtless they are expected to be lower.

Internet Staffing

The number of news people dedicated to local television station websites stayed flat for 2007, the latest year for which data are available.

Few stations are dedicating news employees exclusively to websites. Instead, station employees are adding the Web to their other duties. The average station in 2007 had four newsroom staffers dedicated to the Web, half of them working part time.

And many more newsroom staffers are dividing their time between the Web and responsibilities related to traditional newscasts than in previous years. More than half of news directors (55%) reported that staffers had at least some Web responsibilities, compared to 41% in 2006. Sharing responsibilities for the Web was more common at smaller stations than in the 50 biggest TV markets.

News directors are increasingly involved in their stations’ websites. All but 2% of them were in charge of news content or the entirety of Web operations. Eight in 10 news directors said they were in charge of Web news content, identical to
the 2006 figure. However, fewer were in charge of all aspects of their stations’ sites. Just 18% of news directors were in charge of their Web sites, a 7 percentage point decrease from 2006.

Content

The Web is becoming more than the newscast online. While eight in 10 station news directors reported sharing on the Web, many also added text, still photographs, and even blogs. Fully 98% of station sites had text, nearly 90% had still photos and 59% had audio as of 2007.

Text, Pictures and Audio on Local TV Websites

![Bar chart showing the percentage of station sites offering text, pictures, and audio in 2006 and 2007.]

Video, the news element most closely associated with local television news, had the biggest growth of all in 2007.

More websites included news video, with 92% of stations making individual story segments available on their websites, up from 79% in 2006. Half of all station websites included live traffic and weather camera feeds on their websites in 2007, a 7 percentage point increase from 2006.
In May 2008, the Fox station in Chicago launched LiveNewsCameras.com to aggregate these camera feeds from local, national and international news websites. The website collects, and organizes live video streams from news sites in the U.S. and abroad. The majority of video on the site comes from local television station websites.

More stations also included full newscasts, although they were unlikely to be live. Slightly more news directors said their station websites have live newscasts, up 3 percentage points to 21% in 2007. Newscasts previously recorded were more common on station websites. Nearly half (48%) of the sites had recorded newscasts, compared to 37% in 2006.

The adoption of interactive news elements on local television station websites is somewhat mixed. Blogs had a brisk 20 percentage point growth from 2006, to 53%, while podcasts were slightly less common than the previous year (17% in 2006 vs. 16% in 2007).

The creation of Web-only newscasts is a feature that has not caught on with most news directors. In 2007, 8% said their station website was assembling its own newscasts to offer the latest news developments online, compared with 10% in 2006.
More station websites also turned a profit or broke even in 2007, according to the survey. Nearly a third (31%) reported being profitable in 2007, up 8 points from a year earlier. Another 10% said they broke even, and 17% reported a loss. But all of these numbers, according to industry estimates, could become much bleaker in 2008 and 2009.
Station Sites as "Local Portals"

Station owners are seeking to remake their websites into indispensable hubs for information about the cities and towns they serve.

In the battle for local ad revenue, NBC Local Media, comprising 10 of NBC's owned-and-operated television stations that reach 27% of U.S. households, redesigned station websites, broadening the types of content to include local information from print, online and blog sources.

John Wallace, president of NBC Local Media, said in a statement that the unit's goal was "to create a new type of user experience that's less an extension of our TV stations and more of an online destination for the latest local news, information and entertainment." 6

To that end, the NBC Local websites dropped station call letters from the sites and re-titled them to reflect the focus on the areas served. New York's WNBC site, for example, became nbcnewyork.com.

In 2008, stations moved beyond reformatting broadcast news content for their corresponding websites. They are increasingly looking to other local Internet business models for inspiration on how to augment their own sites as destinations for all types of information about the areas the serve.

Stations' sites are no longer adjuncts for newscasts but instead are positioning themselves to serve a wider audience than that of their broadcasts and broadening the spectrum of information available to visitors.

Mobile DTV

Perhaps the next great arena for competition for local television, as it is for digital generally, may be mobile.

In 2008, the television industry accelerated efforts to bring over-the-air broadcast programming to cellphones and other hand-held devices.

Support for the new technology is nearly universal among local television stations. The group leading the charge for mobile DTV, the Open Mobile Video Coalition, includes 850 local stations and nearly every major station group in the
U.S., and has the support of the broadcasting trade body, the National Association of Broadcasters. A separate organization, the Advanced Television Systems Committee, has the last word on approvals of voluntary standards for digital television technologies.

The costs to design and implement an industry standard for the use of the digital television spectrum to transmit programming to mobile devices are minimal compared to the investments stations made in preparation for the mandatory switch to digital transmission. The cost to implement mobile DTV through hardware upgrades at a station is estimated to be about $250,000. 7

Early tests of the technology were encouraging to its backers.

In November 2008, two Chicago local television stations (ION's WCPX and Fox's WPWR) led a successful mobile digital television test in which they streamed live television programs to handheld devices. 8

A few hurdles remain. A technology standard must be given final approval by Advanced Television Systems Committee. The group gave preliminary approval for a technology standard backed by the Open Mobile Video Coalition and the National Association of Broadcasters in December 2008. Final approval could come in mid-2009, and Mobile DTV-capable devices and add-on chips could hit the market by late 2009. 9

The new receiver chips, which were developed by the South Korean electronics producers LG and Samsung in 2008, could be added to an array of screens that deliver full-motion video, including seat-back video players in cars, laptop, portable game systems, cellphones, smartphones and global positioning system devices. 10

The distribution of content over hand-held devices would provide local television stations with a new avenue for advertising and subscription revenues. One estimate, from the BIA Financial Network, indicates that mobile video ads could be worth $2 billion a year by 2012. 11

Local broadcasters will not be without competition for mobile video. A mobile-only television provider, MediaFLO, owned by the wireless telecommunications research and development company Qualcomm, has been broadcasting audio, video and other data on spectrum originally allocated to UHF television signals since 2006. MediaFLO operated in 58 markets as of December 2008. It charges users a monthly subscription for exclusive content and that from networks that include CBS, NBC, Fox, MTV and Comedy Central. 12

But the Open Mobile Video Coalition of 850 U.S. stations has some major advantages. While companies like MediaFLO have had to build their own transmitters, and negotiate license agreements for programs, stations already have national and local programming ready for transmission to handheld devices. 13

Local broadcasters also do not have to invest in new equipment to transmit to the devices because both mobile and digital television technologies use the same transmitters and broadcast infrastructure. Generally, both types of signals will reach the same coverage areas. 14

Perhaps most importantly, stations can provide what the national mobile television providers have so far been unable to offer: local programming.
Footnotes


Charts & Tables

AUDIENCE

Local News: Change in Ratings (Network Affiliates)
Local News: Change in Share (Network Affiliates)
Total Audience for Local News (Network Affiliates)
Average Early Evening News Ratings (Network Affiliates)
Average Late Night News Ratings (Network Affiliates)
Average Morning News Ratings (Network Affiliates)
Morning News: Change in Ratings (Network Affiliates)
Midday News: Change in Ratings (Network Affiliates)
Evening News: Change in Ratings (Network Affiliates)
Fox Prime Time News: Change in Ratings
Shifting Schedules
Local News: Change in Ratings (Independent Stations)
Local News: Change in Share (Independent Stations)
Morning and Midday Ratings: Change in Ratings (Independent Stations)
Early Evening and Late News Ratings (Independent Stations)
Local News: Change in Ratings (CW and MyNetworkTV Stations)
Local News: Change in Share (CW and MyNetworkTV Stations)
Local News: Change in Ratings (CW and MyNetworkTV Stations)
Local News: Change in Share (CW and MyNetworkTV Stations)

ECONOMICS

TV Station Advertising Revenues
Growth of Local Spot vs. Local Cable Advertising
Political Advertising Revenues
Average Station Revenue
Average Station Revenue by Market Size
Average Station Revenue, Markets 1-50
Average Station Revenue, Markets 51+
News as a Share of All Station Revenues, 2007
Local TV News Profitability

NEWS INVESTMENT

Local TV Newsroom Staff Levels
Salaries Over Time
Average Hours of News per Weekday, 2007
Other Outlets Local TV News Stations Serve, 2007

OWNERSHIP

Total Value of TV Station Transactions
Total Parent Revenue of Top Companies

Online Trends

Text, Pictures and Audio on Local TV Websites
Video Elements on Local TV Websites
Interactive Features on Local TV Web Sites
Local Television Website Profitability, 2007
Magazines – Intro

Introductione model finally collapsed.

*By the Project for Excellence in Journalism*

For American news magazines, 2008 may be seen as the year when the traditional mass audience model finally collapsed.

U.S. News & World Report has effectively abandoned the print news magazine format in favor of producing monthly guides, leaving news coverage to its website. Newsweek, following multiple layoffs and tweaks to its print and online editions, announced in February 2009 that it was remaking itself into a niche publication aimed at a smaller, high-end subscriber base.

Time continued to straddle two worlds, keeping a smaller but still large audience base while shifting to more thematic coverage driven more by columnists and analysis.

And the trend favoring a more elite readership continued. In a difficult year, magazines such as The Economist, The New Yorker and The Atlantic again saw readership gains, although the economics were still difficult.

In the main, all this represented structural changes already under way being accelerated by the devastating downturns in the economy. By year’s end, big declines in ad spending among the retail, automotive and financial services industries had pushed news magazine revenues downward and some publications into the red.

To some degree the same pressures challenged all magazines aimed the general public. For most, certainly, 2008 was a very rough year, and 2009 promises to be equally — if not more — difficult.

For many, particularly news magazines, it is unclear whether the major players are governed more by plan or reaction.

In particular, the move by mass-market publications to a niche magazine model begs two questions. How many elite news magazine readers are there in America who are not already served by publications such as The Economist or The New Yorker?

And, second, can the old news magazines really shift not just their personality but their purpose as well? The niche publications have always been different fundamentally than the larger news magazines in one important regard: They
Economic

Introduction

By the Project for Excellence in Journalism

The decline in advertising the magazine industry has experienced since 2006 accelerated in 2008. The biggest hits came in declines in ad buying from automakers, pharmaceutical companies and financial service providers.

The question that needs to be sorted out in 2009 and beyond is how much of the accelerating drop in print magazine advertising is a function of a difficult economy and how much of it is a permanent shift in the way the producers of goods and services reach consumers.

Across the 251 magazines analyzed by the Publishers Information Bureau, ad pages were down 12% in 2008, compared with a 1% drop in 2007.

Just one news magazine studied, The Economist, succeeded in adding pages and advertising revenue in 2008. The readership of the British-owned magazine’s North American edition is the youngest, most educated and most affluent of all the news magazines examined, all factors desired by advertisers. Analysts also attribute the publication’s recent success to two of its main subject areas: overseas news and trends, coverage that other news magazines have trimmed in recent years, and the global economy, which likely drew readers as global markets hit choppy waters.1

The two largest news weeklies, Time and Newsweek, failed in 2008 to reverse the trend of declining ad revenue, despite slashing ad rates and giving their print product a makeover the year before. At Newsweek, the continued decline in ad revenues resulted in overall losses for the year, even with significant cuts in staffing. Time still managed to turn a profit. 2

The failure of previous print publication redesigns to capture additional readers spells trouble. So does the failure of cuts to the “rate base” 3— the number of distributed copies guaranteed advertisers — to attract new ads.

Ad Pages vs. Ad Dollars

Divining the financial health of a magazine is challenging

Two of the biggest owners of magazines—Hearst and Advance—are privately held companies, and as such are not required to issue public financial reports. Even the publicly traded media companies that do issue reports generally do not break out revenue figures for specific magazines. 4
The Publishers Information Bureau offers estimates by combining ad rates and published pages. It multiplies the rate magazines charge on their rate card by the number of ad pages they published. The resulting estimate is an imprecise representation of actual ad revenue because advertisers often get discounted prices from the rate card. Because of various discounts and incentives, experts say that actual revenue is often half what the reported ad dollars would suggest.

For 2008, the collective discounts at Time Inc.’s two dozen American magazines, for example, amounted to 44% off the official rates, according to press accounts. And at Meredith, which owns 25 consumer magazines, reports put the collective discounts at an average of about 75% below official rates. 5

The figures for how many pages of advertising were published, on the other hand, are based on an actual count of ads in a publication.

Both ad dollar and ad pages are cited here.

The Magazine Industry Over All

Ad pages decreased across the entire magazine industry by an estimated 12% in 2008, with the sharpest declines in the fourth quarter.

The declines cut across most magazine categories. Consumer magazines — those intended for a general audience, including People and Reader’s Digest — did worst as a group, falling 12%.

Some of the biggest declines for the year were experienced at Home (down 38%), U.S. News (32%), The New Yorker (27%) and Nickelodeon (27%). Home’s ad page decreases were indicative of similar declines among shelter magazines — those publications about the home, decor, furnishings and gardens.

The year-end numbers offer scarce good news for publishers, with nearly every major category posting substantial declines in ad pages. All automobile magazines tracked by the Publishers Information Bureau had declines, most by more than 10%. Among entertainment and celebrity magazines, only InTouch Weekly managed to increase ad pages in 2008 over the year earlier, by 3%. Music publications had some of the steepest declines among magazines tracked by the Publishers Information Bureau. Blender had a 31% decrease, Rolling Stone dropped 24% and Vibe decreased 18%. Spin had the only increase in the category, gaining a modest 2%.

In all, just 18% of magazines tracked by the Publishers Information Bureau posted gains in ad pages for the year. 6 Among the gainers were a smattering of parenting magazines, including Meredith’s Spanish-language publication Ser Padres (an increase of 42%), Scholastic Parent and Child (up 28%) Disney’s new parenting magazine, Wondertime (up 21%), while competitors including Condé Nast’s Cookie (up 11%) and Bonnier Corporation’s Working Mother (up 4%) grew more modestly. Despite growth at Wondertime in 2008, Disney announced its closing in January 2009; the last issue appeared in March. 7

Also having modest growth in ad pages were health and fitness magazines. Women’s Health was up 12%, Body + Soul added 4%, Muscle & Fitness was up 4% and Men’s Journal added 3%.
Some relatively new publications, which started out with smaller ad bases in 2007 relative to more established magazines, grew in 2008. Ad pages at Rodale’s Bestlife, a men’s lifestyle publication, were up 7%. New magazines featuring Food Network personalities also had a good year in 2008: Cooking With Paula Deen had ad pages grow 18% from 2007, and Every Day With Rachael Ray was up 3%. The gains came as the network launched its own magazine with Hearst.

Business and finance magazines mostly followed the fortunes of the troubled economy in 2008. Ad page counts for the year presented a mostly downbeat picture.

Many more established business publications suffered double-digit declines throughout the year. Ad pages dropped 30% at Smart Money; BusinessWeek was down 16%, Forbes 14% and Kiplinger’s Personal Finance 15%.

The one clearly positive result was enjoyed by Mansueto Ventures’ Fast Company, which had a 24% increase. The magazine, founded by two former Harvard Business Review editors, Alan Webber and Bill Taylor, reports on digital media, technology, change management and social responsibility.

The Harvard Business Review, for its part, had more modest (3%) page increases. Condé Nast Portfolio, launched in 2007, had slight growth (2%) in 2008 over all, but hemorrhaged in the fourth quarter, when it had a 33% decline in ad pages compared with the same period in 2007.

<table>
<thead>
<tr>
<th>Publication</th>
<th>Number of Pages</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2008</td>
<td></td>
</tr>
<tr>
<td>BusinessWeek</td>
<td>2243.8</td>
<td>-16.1</td>
</tr>
<tr>
<td>Condé Nast Portfolio</td>
<td>656.0</td>
<td>+2.0</td>
</tr>
<tr>
<td>The Economist</td>
<td>2364.0</td>
<td>+4.4</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>1156.8</td>
<td>-9.8</td>
</tr>
<tr>
<td>Fast Company</td>
<td>497.3</td>
<td>+23.9</td>
</tr>
<tr>
<td>Forbes</td>
<td>3,238.6</td>
<td>-14.3</td>
</tr>
<tr>
<td>Fortune</td>
<td>2379.3</td>
<td>+0.1</td>
</tr>
<tr>
<td>Fortune Small Business</td>
<td>477.5</td>
<td>-0.6</td>
</tr>
<tr>
<td>Harvard Business Review</td>
<td>456.3</td>
<td>+2.7</td>
</tr>
<tr>
<td>Inc.</td>
<td>824.5</td>
<td>-0.8</td>
</tr>
<tr>
<td>Kiplinger’s</td>
<td>497.3</td>
<td>-14.6</td>
</tr>
<tr>
<td>Money</td>
<td>807.7</td>
<td>-1.7</td>
</tr>
<tr>
<td>SmartMoney</td>
<td>713.6</td>
<td>-29.7</td>
</tr>
</tbody>
</table>

Source: Publishers Information Bureau
Niche publications over all, thought to be less susceptible in economic downturns than general-interest magazines, were not immune from the advertising slump in 2008. Publications targeted at boating and automobile enthusiasts experienced some of the biggest declines of any magazines. Steep ad page decreases at Motorboating (down 31%), Boating (down 25%), Power & Motoryacht (down 27%) and Yachting (down 15%) showed acute weaknesses in luxury niche magazines. The collapse of the automobile advertising market no doubt contributed to steep decreases at Automobile Magazine (down 13%), Motor Trend (down 12%) and Car and Driver (down 11%).

### Automobile Publication Ad Pages

<table>
<thead>
<tr>
<th>Publication</th>
<th>2007</th>
<th>2008</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automobile</strong></td>
<td>2243.8</td>
<td>1882.4</td>
<td>-16.1</td>
</tr>
<tr>
<td>Autoweek</td>
<td>656.0</td>
<td>668.9</td>
<td>+2.0</td>
</tr>
<tr>
<td>Car and Driver</td>
<td>2364.0</td>
<td>2,468.3</td>
<td>+4.4</td>
</tr>
<tr>
<td><strong>Hot Rod</strong></td>
<td>1156.8</td>
<td>1,043.3</td>
<td>-9.8</td>
</tr>
<tr>
<td><strong>Motor Trend</strong></td>
<td>497.3</td>
<td>616.2</td>
<td>+23.9</td>
</tr>
<tr>
<td><strong>Road &amp; Track</strong></td>
<td>3,238.6</td>
<td>2775.3</td>
<td>-14.3</td>
</tr>
</tbody>
</table>

Source: Publishers Information Bureau
But news magazines were not much better off.

All three of the big news weeklies had double-digit decreases in ad pages through the third quarter of 2008. And the other news magazines did not perform much better.

**News Magazines**

For the eight news magazines examined, ad pages were down 16% in 2008 compared to the previous year. Ad dollars fell by nearly 19%. The declines are much more severe than those in 2007, when pages were down by less than 1% and dollars by 4%.

*Time, Newsweek, U.S. News*

Among the hardest hit were the traditional Big Three of the news magazines.

At Time, ad pages fell 19% and ad dollars 27%.

Newsweek had a 19% drop in ad pages with a 14% decline in ad dollars.

At U.S. News & World Report, ad pages fell 32% and ad dollars 35%.

What’s more, the 2008 ad page estimate for the traditional news magazines represent the lowest total since 1988, when the data first became available from the Publishers Information Bureau.

**Biggest Three News Magazines, Ad Dollars and Pages**

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</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>$475</td>
<td>$346</td>
<td>-27.1%</td>
<td>1,859.0</td>
<td>1,505.9</td>
<td>-19%</td>
</tr>
<tr>
<td>Newsweek</td>
<td>$543</td>
<td>$466</td>
<td>-14.1%</td>
<td>2,162.2</td>
<td>1,752.0</td>
<td>-19</td>
</tr>
<tr>
<td>U.S. News</td>
<td>$270</td>
<td>$175</td>
<td>-35.4%</td>
<td>1,640.6</td>
<td>1,109.8</td>
<td>-32.4</td>
</tr>
</tbody>
</table>

Source: Publishers Information Bureau
The two leading news weeklies, Time and Newsweek, were both hoping that changes made in 2007 (See State of the News Media 2008) would lead to new growth in 2008.

Both publications launched redesigned magazines in 2007, cut ad rates and reduced circulation in an effort to attract more advertisers. Publishers base advertising rates on the number of consumers an ad may reach—the higher the number of guaranteed consumers, the higher the rate for advertisers. By offering cheaper rates to advertisers, the magazines hope to get more of them to advertise.

But signs of continued declines in early 2008 led to yet more changes both in print and online.

Time’s website (www.time.com), for instance, underwent its second redesign in two years.

The first came in January 2007, to coincide with the magazine’s redesign that March. In September 2008, time.com was again retooled, this time under the direction of its online editor, Josh Tyrangiel, who also serves as assistant managing editor of the print publication. Tyrangiel described the previous redesign of the website as “rushed.”

A month later, in October of 2008, Time Inc. CEO Anne Moore announced that the company was devising a two-year plan to weather the economic downturn. Moore stated that “it will be tough to grow revenues” in 2009. Time Inc., which publishes Time and several other publications, with Time as its flagship, sought to increase digital revenues in 2008 by 53%, a target Moore said the company would not hit.

At Newsweek, the plunge in ad pages and dollars came at a time when management seemed unsettled. Its president and publisher, Greg Osberg, formerly an executive of the online computer consumer and news guide CNET, left the magazine in the fall of 2008. In December 2008, Osberg was named CEO of Buzzwire, a company that streams video content to mobile devices. Newsweek said it had no plans to replace Osberg.

In February 2009, Newsweek announced radical changes. In addition to slashing its rate base from 2.6 million to 1.5 million by 2010, the magazine announced it would double its subscription rates, focusing on a core of affluent, highly educated readers. The magazine hopes that with a smaller, more dedicated audience it will attract more luxury goods advertisers and get higher rates for ads.

Both of these strategies will have to navigate an almost certainly difficult economic climate in 2009.

It was a periodical once considered the third general news magazine, U.S. News & World Report, that suffered most in 2008. Already down 5% in ad pages and 1% in ad dollars in 2007, ad pages in 2008 fell 32% more. Estimated ad dollars were down 35%.
U.S. News’ average number of distributed copies decreased slightly in 2008, after remaining flat for three years, to 1.994 million, from 2.038 million in 2007. (See Audience).

The publication refocused itself around double issues designed to help people make decisions about such things as healthcare plans, colleges or retirement communities at the expense of the hard news that traditionally filled its pages. (See News Investment.)

**Niche News Magazines**

For all that magazines in general and news magazines in particular suffered in 2008, not all the news was bad. Niche news magazines continued to fare relatively better.

First among these may be The Economist, the British publication that launched its American edition in 1993. The publication benefited from an 11% increase in circulation in the U.S., to almost 750,000 in 2008, from 666,000 in 2007. It has expressed a goal of hitting 1 million in U.S. circulation. With the help of a growing audience, ad pages grew by 4%, and estimated ad dollars grew 26%. It had the distinction of being the only news magazine to show growth in both ad pages and dollars in 2008.

The Week, another British-owned publication, has no reporters but its staff of 20 editors aggregates the reporting in the rest of the press into a weekly summary. Ad pages in its U.S. edition were flat, while ad dollars were projected to grow 14% percent growth, following a projected 15.8% jump a year earlier.

### Nontraditional News Magazines, Ad Dollars and Pages

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<tbody>
<tr>
<td>The Atlantic</td>
<td>$33</td>
<td>$32</td>
<td>-2.8%</td>
<td>636.7</td>
<td>528.7</td>
<td>-17%</td>
</tr>
<tr>
<td>The Economist</td>
<td>$105</td>
<td>$132</td>
<td>+25.5</td>
<td>2,364.0</td>
<td>2,468.3</td>
<td>+4.4</td>
</tr>
<tr>
<td>The New Yorker</td>
<td>$266</td>
<td>$179</td>
<td>-20.7</td>
<td>2,019.6</td>
<td>1,478.1</td>
<td>-26.8</td>
</tr>
<tr>
<td>The Week</td>
<td>$28</td>
<td>$31</td>
<td>+13.6</td>
<td>602.7</td>
<td>602.7</td>
<td>0.0</td>
</tr>
<tr>
<td>National Journal</td>
<td>$13</td>
<td>$11</td>
<td>-14.8</td>
<td>929.3</td>
<td>751.5</td>
<td>-19.1</td>
</tr>
</tbody>
</table>

Source: Publishers Information Bureau
As the editorial director of a competitor, Thomas Wallace of Condé Nast, joked when reacting to reports on second-quarter ad pages in July: “Flat is the new up.”

The other news magazines examined all saw declines in 2008. After posting modest gains for ad pages and dollars in 2007, The New Yorker’s momentum reversed in 2008. Ad pages fell 27%. Ad revenue, based on the rate card, would have fallen 21%.

Samir Husni, the University of Mississippi Journalism Department chairman, believes the content offered by The New Yorker creates a strong and loyal core audience. “We are not going to have a mass in-depth weekly,” Husni said. “Dense content is going to create a core audience, not a mass audience. But core audience will pay more for magazines.”

National Journal, a weekly magazine that reports on the political-governmental environment and political and policy trends, had less severe declines than most other specialty news magazines. The magazine is part of National Journal Group, a division of the Atlantic Media Company, which also owns The Atlantic.

Ad pages at National Journal decreased 19% and ad dollars lost 15% compared with 2007 figures. Its coverage of the presidential election likely boosted readership and traffic to its website. It is less clear whether its partnership with NBC during the 2008 campaign benefited attracted more readers to the National Journal website and magazine.

Beginning in September 2007, journalists from National Journal, NBC and its sister cable channel MSNBC assigned staff members to the presidential campaign trail who filed dispatches during the nominating contests through the general election. National Journal reporters appeared regularly on the NBC-owned channels throughout the campaign. The content-sharing partnership was intended to broaden National Journal’s online and broadcast exposure.

The Atlantic, National Journal’s sister publication, had declines as well. After remaining flat in 2007, the number of ad pages dropped 17%, while ad dollars decreased by 3% in 2008.

In October, The Atlantic unveiled a redesigned magazine. The retooling follows a 2007 effort to attract more traffic and advertisers to the magazine’s website by eliminating paid subscriptions to the site. This strategy seems to have paid off in attracting more readers to both the print magazine and the website in 2008, but in a dismal year for advertising, especially in magazines, it’s unclear whether more advertisers came on board.

The range of tactics employed by news magazines—individual magazines tinkering with online identities and rethinking their established print brands—appeared, at least so far, to have made little impact. And one downside to the move online is a wealth of new competitors such as newspaper websites, Web-based magazines like Slate and Salon, and blog sites like Huffington Post that compete on any given subject area in the news.

Even in the best of times it might be too early to know if the structural changes at the news weeklies—in particular the shift at the larger ones toward remaking themselves into smaller, more targeted publications—would work. But the economics of 2008, and the apparent worsening of that picture in 2009, almost certainly will complicate those experiments. And one thing appears clearest. In the 21st century, the truly mass market news magazine appears on the way out. “The ad-supported model died in September,” Husni said.
Footnotes


2. This refers to the guaranteed average net paid circulation of a periodical set by the publisher according to the number of copies that can be sold on a consistent basis. It is used by advertisers to evaluate the benefit of advertising in that periodical. Space advertising prices are based upon the rate base, and if the rate base guarantee is not met, the publisher must compensate advertisers for the difference. Copies sold in excess of the rate base, commonly called bonus circulation, are free.


5. A higher percentage of magazines may have gained in ad revenue, at least according to the Publishers Information Bureau estimates. By this count, 46% of consumer magazines would have had revenue gains had they charged from the rate card the full amount


8. While the ad dollar and ad pages figures will be discussed in this chapter, the ad pages are the more concrete figures that indicate financial health of a magazine. The total dollar figure is calculated by multiplying the rate given on the rate card by each publication by the number of ad pages. This is an inaccurate representation of actual ad revenue because advertisers rarely, if ever, pay the rate given on the rate-card. Therefore, it must be noted that experts in the industry say that actual revenue is often half what the ad dollars are reported to be.


11. Dylan Stableford, “President and Publisher to Leave Newsweek,” FolioMag.com, July 16, 2008


16. Megan Garber, “Mag Revenue Numbers: In Which ‘Flat Is the New Up,’ ” Columbia Journalism Review, July 11,
By the Project for Excellence in Journalism

After several hard years, 2008 was an even harder one for many news magazine staffs, particularly in news weeklies. Late in the year, several publications announced substantial layoffs on top of cutbacks in staffing and resources already made earlier in the year. Precise figures were unavailable at the end of 2008, as most publishers were still sorting out who would stay and who would go. But further cuts were looming, and there were fears that more publications would close in 2009.

And this on a base that had already shrunk some in recent years. According to an Advertising Age analysis of Bureau of Labor Statistics data, magazine staffing last took a substantial hit in 2001, as a result of the bursting of the dot.com bubble and the recession. Staffing appeared to level off in the middle of the decade, from 2004 to 2008. But since the decade began the numbers over all were down by 2008. Based on averages from January through July 2008, Ad Age estimated that just under 150,000 people worked in magazines in 2008, down from about 170,000 in 2000.  

“From what I see and hear throughout the media industry generally, the situation is going to get much worse before it gets better,” said David Weir, a media business analyst for BNET.com, a website that provides management information.  

The five biggest magazine publishers in the U.S. announced in late 2008 big staff reductions. They are:

- Time Inc., publisher of Time, People and Sport Illustrated
- Advance Publications, which owns the Condé Nast magazine group that includes Vogue, The New Yorker and GQ
- Hearst, which publishes Cosmopolitan, Esquire and O, The Oprah Magazine
- Meredith, which publishes Better Homes & Gardens, Ladies’ Home Journal and Parents
- McGraw-Hill, the owner of BusinessWeek and other media properties

News magazines, whose staffs have been generally trending down since the mid 1980s, certainly felt the knife edge.

Most of the announced cuts at the newsweekly leaders in 2008 were in reporting positions and to some extent senior editors, a further sign of the move toward analysis and commentary.
Time and Newsweek have both instituted two rounds of cuts in the last 18 months, the most recently coming at the end of 2008 and early 2009, with both still in flux.

At U.S. News & Wld Report, which ceased weekly publication in 2008, staffing was basically unchanged compared with 2007. But its staff had already undergone major reductions as the publication shifted to a consumer-information orientation and away from a newsweekly focus, and it already had the smallest staff of the three magazines.

Some industry analysts have suggested the ad-supported economic model at most magazines has become obsolete, with the auto industry downturn in 2008 the final reckoning.

Others contend the ad-based publishing model that has existed in the U.S. more or less since World War II had been able to sustain larger staffs than necessary.

What are we to make of the cuts? Samir Husni, chairman of the Journalism Department at the University of Mississippi and an expert on the magazine business, contends that American magazines historically have been vastly overstaffed compared to their counterparts abroad and that thus the cuts are manageable.

“The Economist’s staff is about 100,” Husni said. “And you can’t say that Newsweek, which has a much bigger staff, is turning out better editorial content from week to week.”

But the two magazines have also been different in mission. The American newsweekly traditionally combined substantial original reporting along with its analysis, often woven together by writers who were not the actual reporters. The European model relied on the news gathered elsewhere during the week, and put more premium on weaving those events into larger context than the American periodicals. Newsweek and Time have also had a wider purview, including culture, the arts, lifestyle and more into the “back of the book,” while the Economist’s expertise is narrower and perhaps deeper.

If Husni is right, it does not mean this would an easy transition. After more than 60 years of approaching things a different way, the cultural shift to the more European model would be for American magazines, at minimum, a tumultuous one internally, and perhaps one that involves a fair amount of trial and error in the content as well.
Newsweek

The second-biggest news weekly in the U.S. appeared to suffer some of the biggest staff reductions in the industry in 2008. According to company reports, 160 employees in Newsweek's news and business departments accepted buyouts in 2008.

And likely there are more to come. The bulk of those leaving came in March when 117 people accepted buyouts. In December, the magazine reportedly decided it needed to cut another 75 positions and close bureaus at home and abroad. Some 43 of buyouts were competed in 2008, but if the December accounts are correct another 30 or so may still be coming.

Press reports suggested that about half of those job cuts were to be made in news. Most were expected to be accomplished through voluntary buyouts, although future reductions may not be. Ann McDaniel, vice president at Newsweek's parent Washington Post Company, reportedly told employees, "If you want out, this is the package to take."
In February 2009, Newsweek unveiled for advertisers a new design, a shift in editorial focus and plans for scaling back circulation. It was unclear whether the new concept would involve any additional job cuts not yet announced. A staff box published in the February 16, 2009, issue listed 27 fewer full-time news employees than in a June 2008 staff listing.6

Precise job cut figures are difficult to ascertain for several reasons. The magazine declined to confirm any numbers. 7 The last staff box it published in February 2009 did not appear to reflect the full extent of the announced job cuts. Also, the magazine moved several former full-time staff to the lists of contributors, suggesting a continuing association with the magazine but with a designation that makes the nature of the association imprecise.

An analysis of the staff boxes nonetheless still offers a glimpse into the shifting priorities and editorial structures of the magazine. Cuts were made in nearly every department.

One trend was fewer top editors. The number of assistant managing editors decreased from five to four, for instance, the senior editors from 16 to 10. Additionally, a dozen former full-time staffers switched to contributor status.

Even the magazine’s website, a singular area of growth for the publication, had two fewer staffers in 2009 than 2008 (to 18 from 20).

The February accounting suggests Newsweek had already also reduced staff in both domestic and foreign bureaus, three from Washington (to 16, from 19 in 2008), one from New York (making it a single-person bureau in 2009). Both Midwest bureaus (single correspondents in Chicago and Detroit) were shuttered. Newsweek also cut one from London (one correspondent remained), and closed another single-person bureau in Mexico City. But by all accounts there were more to come, particularly according to press reports, overseas.

In December, Russell Adams of the Wall Street Journal reported that positions in Baghdad, Cape Town, Hong Kong, Tokyo, Jerusalem, and Paris and at domestic bureaus in Los Angeles, San Francisco and Miami were targeted for buyouts. 8

“That many of [the bureaus] are one- or two-person shops—and carry real estate costs—indicates closures are likely,” Adams wrote. 9

**Time**

Despite reports that it is still being profitable, Time was cutting staff as well. A corporate-wide reduction of 6% percent of the workforce of Time Inc. announced in October 2008 was expected to hit the company’s flagship publication in early 2009.

According to a November press account, Time sought 20 news employees for the voluntary buyout. The staff cuts would translate into an about 8% reduction in news staff. 10

Even before the cuts took effect, Time was already changing priorities, according to an analysis of the staff boxes published in December 2008 and October 2007.

With roughly the same number of total staff listed (182), the magazine had shed top managers, put more emphasis on
news analysis, bolstered its staffing for coverage of Asia and added employees to the website.

Among the most striking changes was that Time thinned the ranks of top editors at the print publication by nearly 40%.

It cut in half the number managing editors, (from 11 to 6) and reduced the number of deputy managing editors (from 3 to 2), and assistant managing editors (from 7 to 3). It also reduced the number of senior editors from 11 to 9.

And in January 2009, Adi Ignatius, a deputy managing editor at Time, announced he was leaving the magazine to become the editor-in-chief of Harvard Business Review, which is published by the Harvard Business School. 11

As with Newsweek, the magazine also appeared to be shifting resources away from reporting and somewhat more toward analysis. The number of editorial employees designated as writers increased while the number called reporters decreased.

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<th>Time Magazine, Writing and Reporting Staffers</th>
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Source: PEJ research, from magazine staff boxes
The number of Time domestic and foreign correspondents based outside its New York headquarters was reduced by one, to 31, in 2008, according to the staff-box analysis.

Time, at least as of December, 2008, was more international than Newsweek, with a greater focus on the Middle East and Central Asia. And as of January 2009, there were no reports the magazine was planning to follow the lead of Newsweek and shutter bureaus or significantly reduce staffers in them.

In total, the magazine had eight correspondents working in three bureaus in the United States and 20 in 14 overseas bureaus.

The magazine halved the number of staff in Hong Kong, New Delhi and Baghdad (from six to three total) but added a staffer in Beijing. It also expanded the number of bureaus abroad—adding ones in the Lebanon and Pakistan, while closing the one in Rome.

With a flamboyant and controversial President Nicholas Sarkozy in France, Time also added two correspondents to its Paris bureau in 2008, bringing the number to three.

The other sharp change came at the website, where even some of the departed print executives reappeared. In all, Time.com, the magazine’s website portal, saw its staff increased by 10, to 24 in 2008. 12

Previously, the most senior position listed for Time.com was senior editor. By the end of 2008, the site had its own managing editor (Josh Tyrangiel), assistant managing editor (Richard Zoglin) features editor (Daniel Eisenberg) and senior editor (Tony Karon).

The number of new staffers (15) and new position titles (18) indicates a fairly radical reorganization of Time.com following the 2007 redesign. According PEJ’s tally of the 2007 and 2008 staff boxes, just four 2008 Time.com employees were known to be previous Time (print publication) employees. A total of six 2008 staffers remained from 2007.

But, again, these figures were reported prior to the announcement of the corporate-wide job cuts.

**Time Inc.**

The changes at Time came against a backdrop of a restructuring by Time Inc., the magazine division of Time Warner that operates 24 publications. Time Inc. C.E.O. Anne Moore cited “stunning” declines in advertising revenue for the across-the-board staff reductions. 13

While other magazine companies announced the closing of some magazines, Time Inc. appeared, in its October announcement, to focus more on internal reorganization as a way of keeping existing titles viable.

The plan, which the New York Times reported “could radically alter the culture of the company,” called for centralizing authority and functions among its previously independent magazines. It envisioned four business units: news, style, entertainment and lifestyle. Time magazine operates under the news division.
Each group reports to a general manager. The new centralized management structure represented a fundamental change for Time Inc. publications. Previously, each of the company’s titles had semi-autonomous control over business and editorial staff. 14

The reorganization included the loss of 600 positions across the editorial and business departments, which translates to about 6% of its worldwide employment of 10,000. Time Inc.’s domestic employees number 7,000.

The reductions were expected to cut into the editorial staff of Time Inc.’s biggest and most recognizable publications. As many as a third of the announced job cuts were to be made at the core of the company’s publications: Time, People, Sports Illustrated, Fortune and Money. In all, 100 editorial staffers were expected to accept voluntary buyouts by the end of 2008, according to published reports. 15

The cutbacks, which Time Inc. had hoped to accomplish through voluntary severance, applied to writers, editors, photographers and researchers at the magazines. It said it would eliminate 92 jobs in consumer marketing by centralizing the marketing departments previously spread among the individual magazines.

The greatest percentage cuts were seen at the editorial group that puts out Sports Illustrated, Sports Illustrated for Kids and Golf magazines. In the initial round of staff cuts, 40 people were expected to voluntarily leave the magazine group, which would translate to a 16% cut from a staff of about 250.

At People, a minimum of 23 staffers—about 12% of the magazine’s editorial staff—were offered buyouts in November, but editors were said to have been encouraging additional staffers to ask for severance or voluntarily reduce their work-weeks from five to four days, so cuts may be more expansive in the latest round of layoffs.

As many as 25 staffers at Entertainment Weekly were slated to be laid off in late 2008. But the cuts were seen as less drastic than shuttering the magazine or folding it into People. 16 As part of the reshuffling at Entertainment Weekly, managing editor Rick Tetzeli was replaced with previous People executive editor Jess Cagle. Tetzeli was assigned to Time Inc.’s special projects division. 17

Time Inc. also sought to cut 20 overall from its business publications Fortune and Money through voluntary buyouts. Months earlier, the company had cut 14 of 17 staffers from Fortune Small Business and moved the magazine to a custom publishing division that produces publications for paying clients. 18

U.S. News & World Report

As the third-largest news magazine transitioned from weekly to monthly frequency, and positioned itself around producing single-topic editions, U.S. News & World Report fundamentally reorganized its editorial staff.

While the total number of employees listed in 2008 was basically unchanged from 2007, the composition of the staff at U.S. News changed to fit with the goal of becoming an "Internet-first" news source.

Heading into 2009, it removed delineations among staff dedicated to the print publication, USNews.com website portals or periodical newsletters that existed in previous years.
Employees listed in 2007 as USNews.com producers, advertising and marketing staffers were integrated into news, operations, art, photography and research departments.

U.S. News editor Brian Kelly told PEJ that as of 2009, it was “out of the news weekly business,” and that all staffers at the publication write across four specific subject areas: health, money and business, education and science, in print and on the Web. Under the new model, breaking news coverage and opinion content is presented on the website and in the U.S. News & World Report Weekly digital magazine. 19

Monthly print issues would concern a single subject area, and Kelly said, would “include consumer guides, analysis, and policy” on a given subject from “a 360-degree perspective.”

In 2009, editorial content in the print publication will complement the consumer rankings and guides for which the magazine has increasing become known since it began publishing rankings reports, starting in 1983 with America’s Best Colleges.

As it moved away from the news weekly model throughout 2008, U.S. News kept staffing levels even compared with the previous year. In 2008, U.S. News listed 124 editorial employees, compared with 123 in 2007.

But a redeployment of positions reflected the new editorial orientation. The magazine cut back the ranks of top general editors in 2008. The magazine reduced the number of managing editors from six in 2007 to four in 2008 and senior editors from five to four. Associate editors were cut to five from nine.

It added five “deputies”—editors managing various content areas including business, nation and world, health and science, education and opinion—increasing to nine in 2008.

The magazine added seven reporters, for a total of 11.

Kelly said he made new hires of employees with skills sets relevant to Web design and production, while letting go of some print designers in 2008.

While the total number of employees listed in 2008 was basically unchanged from 2007, the composition of the staff at U.S. News changed to fit with the goal of becoming an “Internet-first” news source.

Other News Magazines

In general, staffing at the nontraditional news magazines appeared more stable in 2008 than that of Time and Newsweek.

Staffs at magazines including The Economist and The Atlantic are smaller than those at the big three news weeklies, with fewer full-time reporters; much of the editorial content comes from freelance journalists or contributors. Maintaining a lean newsroom made the publications less susceptible to staff reductions in 2008.

But a rough economic year for magazines translated into layoffs even at publishing companies that showed signs of growth in 2008. The Economist Group, which publishes the North American edition of The Economist, laid off as many
as 12 employees in November 2008, most from within the Economist Intelligence Unit, the company’s business-to-business publishing operation. 20

Less clear was if The New Yorker, which had exhibited revenue growth in 2006 and 2007 but struggled in 2008, absorbed job cuts announced in October 2008 by its corporate parent, Condé Nast. According to press reports, the magazine group intended to cut 5% across business and editorial departments at its two dozen publications. 21 The New Yorker declined PEJ’s requests for information on staffing.

Like many foreign news publications, the U.S. edition of The Week, which is owned by the U.K.-based publisher Felix Dennis, is lightly staffed. The Week, a digest of accounts from other news sources, has editors but no reporters. The fledgling magazine’s task is not to gather the news of the week, but to distill “all you need to know about everything that matters.” In 2008, the magazine stayed lean. Its staff was unchanged from 2007 at 20 employees.

Over all, news publications whose staffing was stable in 2008 operated outside of major magazine publishers like Time Inc. and Condé Nast.

**Other Non-News Magazines**

Meredith, a publisher of the mass-market commercial magazines Family Circle, Better Homes and Gardens and Parents, also announced companywide job cuts.

In January 2009, Meredith announced a cut of 250 positions across the company – which also includes television stations, book publishing and websites—and closed County Home Magazine. The magazine division by itself had previously announced 20 layoffs and the intention to leave open other positions. 22

Wenner Media, the eighth-biggest publisher in the U.S. and owner of US Weekly, Men’s Health and Rolling Stone, was reported to have laid off seven employees, most in its corporate marketing department, in October 2008. The cuts represented a less than 2% of the company’s 400 full-time magazine staffers. 23

Two major publishers of trade publications and industry-specific magazines, Penton (Broadcast Engineering, Outsourced Logistics and National Real Estate Investor) and Reed Business Information (Variety, Publishers Weekly and Broadcasting & Cable), announced layoffs in June 2008.

Penton, which cut 120 jobs as part of a 2007 consolidation, cut 42 positions in mid-2008 in response to what the company’s CEO, John French, characterized as the same economic pressures the magazine industry was facing in 2008. 24

Reed Business Information, which is owned by Reed Elsevier Group—the ninth-biggest publisher in the U.S.—cut 41 positions, including several editors, advertising sales representatives and online staffers. 25 In 2008, Reed Elsevier tried unsuccessfully to sell Reed Business Information, the publisher’s business-to-business arm.

Reed announced had plans in February 2008 to sell the business information group, citing “a desire to exit the print-reliant industry.” Lack of financing for potential buyers was given as the reason Reed took the group off the market in
McGraw-Hill, the fifth-largest publisher in the U.S. and the owner of BusinessWeek and Aviation Week, along with other media properties, cut 210 positions in 2008 within its media and information division, which publishes magazines. In addition to magazine publishing, the division includes four ABC-affiliated local television stations, the consumer marketing information firm J.D. Power and Associates and Platts, an energy and metal information company.

Reader’s Digest Association, the sixth-largest publisher in the U.S., announced in January 2009 that it would lay off as many as 300 people, equivalent to 8% of its workforce. In addition to the layoffs, the publisher stated that it would put staffers on unpaid furloughs and halt contributions to retirement accounts.

The company, which publishes the flagship Reader’s Digest, Every Day With Rachael Ray and Rick Warren’s Purpose Driven Connection, is owned by Ripplewood Holdings, a private equity firm. Ripplewood bought the company in 2007, in a deal that, according to the New York Times, greatly increased its debt burden.

Footnotes


2. David Weir, e-mail interview with PEJ, January 12, 2009


6. A staff box published in June 2007 listed 168 news employees; a June 2008 staff box listed 192 news employees.

7. The June 2008 staff box, which was published after 117 Newsweek employees accepted buyouts, listed 24 more employees than in a June 2007, raising questions about the reliability of using the published staff lists as a barometer of staffing at the magazine.


12. Six of the 18 new jobs were multimedia producer positions. Time.com also added three topical positions including features editor, health/science editor and politics producer. The website also bolstered video production, design and photography staffs by adding new positions in 2008.


In 2008, the owners of the nation’s big magazines faced difficult times that could translate into changes in the ownership landscape. Advance and Hearst, for instance, consolidated and even closed some publications. Time Warner reorganized and announced layoffs.

Fewer new magazines were launched in 2008 compared with 2007 and 2006. And as credit markets tightened with the deepening economic crisis in the U.S., sales of magazine properties, which had been few and far between in 2007, were fewer still in 2008.

Instead, publishers large and small sought to diversify their businesses, launching new websites or transitioning unprofitable print publications onto the web.
Advance

Advance Publications began 2008 on a high note. Advertising Age magazine estimated that Advance had overtaken Time Warner in magazine revenues for all of 2007, with much of their gain through expansion. But as 2008 continued, Advance faced the consolidation of some of its magazines and the closure of others. 2

This came after a period of substantial growth at Advance. In the first half of the decade, Condé Nast, the magazine division of Advance, added magazines aimed at strategic categories of readers, particularly younger consumers. Among the niche publications added were Modern Bride in 2002 and YM in 2004. And even as other business magazines such as Fortune, Forbes and Business 2.0 were having difficulties, Advance went forward in April 2007 with the high-profile launch of the business monthly Condé Nast Portfolio. 3

In October of 2008, Advertising Age, based on 2007 results, reported that Advance had passed Time Warner in magazine revenue. According to Ad Age estimates, Advance in 2007 generated $3.9 billion in revenues from its magazines in 2007 (versus $3.6 billion at Time Inc. magazines), up almost 10% from the year before. 4

Magazines also made up a larger share of Advance’s overall revenues. Even while expanding in some other areas—namely Internet properties and regional business journals—magazine revenues accounted for 48% of Advance revenues by 2007, up from 47% in 2003. 5 (The company also owned more than 20 newspapers, including the Star-Ledger in Newark, N.J., as well as the American City Business Journals chain of local business weeklies, the Newhouse news service and part ownership of the Discovery Channel.)

Although Advance’s financial results are not divulged publicly, Hoover’s, the business information company, estimates that Advance generated revenues of nearly $8 billion in 2007 from all its operations, up slightly over the previous year. 6

It was apparently a different story in 2008, however. In July, Condé Nast announced it would not publish the scheduled second issue of Vogue Living in fall 2008. The publisher cited a weak ad climate, which has been prominent in the home goods advertising category. 7 The cancellation of the issue came after the company had closed House & Garden in 2007.

In October, Advance announced it would reduce the frequency of Portfolio from 12 times a year to 10 and Men’s Vogue from 10 times to 2. 8

The company in 2008 also closed Golf for Women, a magazine published every two months that had a rate base of 600,000. Advance had bought the publication, along with Golf Digest, Golf World and Golf World Business from Meredith in 2001.

And in January 2009, Advance closed Domino, which was first published in 2005. 9

The closing of magazines in 2008 suggests that as the print advertising market got smaller, Condé Nast looked to cut back on publications that targeted the same audiences. That still leaves the company publishing two food magazines (Gourmet and Bon Appetit), two men’s magazines (GQ and Details), and various women’s fashion magazines, including Vogue, teen Vogue, W, Allure and Lucky.
Advance, owned by the Newhouse family, is known for taking a more long-term approach to its business than some other media companies. And it has clearly been committed to magazines as a sector, even while some large rivals have scaled back.

However, in January 2009, New York Times media and culture columnist David Carr suggested that in the difficult economic times, “Condé Nast may not be able to keep all 23 of its magazines in business.”

**Time Warner**

The company that not long ago stood out above all others in American magazines, Time Warner, has spent the past several years selling or shuttering weak-performing magazines to focus on its bigger ones and to develop new ways of distributing its content, while also expanding its far-flung operations outside the publishing sector.

While Time Inc. was estimated to have fallen behind Advance in magazine revenue going into 2008, it remained No. 1 in overall circulation.

Over the previous five years, the share of Time Warner’s total revenue coming from magazines had already decreased by a third, to 10% in 2007, from 15% in 2003.

In 2008, the magazine division showed a $6.6 billion operating loss—blamed largely on one-time charges for restructuring and revaluation of assets—compared to a $907 million gain in 2007. Revenue fell 7% to $4.6 billion, from $5 billion in 2007.

That meant magazines accounted for 10% of Time Warner total revenue in the year.

The losses within the magazine division as well as at AOL, its online subsidiary, pulled down stronger showings in its cable, network and film divisions. The company reported its profit rose just 1% for the year, to $13 billion. Revenues grew by 3% to $47 billion.

The situation for Time Inc. worsened as the year wore on. It announced a reduction of 600 jobs, or 6% of its workforce, in late October, and a corporate reorganization. (See News Investment)

The Time Inc. division also sought to diversify beyond magazine publishing, expanding its websites and subscription businesses.

In December 2008, Time Inc. executives reported increased traffic to its websites People.com and CNN Money, its Maghound digital magazine store and the Sports Illustrated-sponsored social network, Citizen Sports. 11

Time Inc., however, does not break out digital revenues by property, so it is unclear to what extent, if any, these might make up for losses at the print magazines.

In September, the company launched the Maghound website, which allows users to get digital copies of periodicals for a monthly subscription fee. The site also offers traditional print subscriptions by mail, allowing its users to shuffle the magazines they get each month. Time Inc.’s move into the subscription market makes it a direct competitor with
Amazon, a major online seller of magazine subscriptions.

Time Inc. in August, 2008 bought QSP, a company that provides fundraising services, such as food and magazine sales, mainly to schools and youth groups, from Reader’s Digest for $110 million. Time Inc. sees the purchase of the company, which it jointly owned with Reader’s Digest from 1963 and 1971, as a way to sell subscriptions. The company said it “envisions benefits to operating QSP’s large direct-selling force in North America.” 12

The purchase, which did not attract much attention when it closed in August, puzzled some industry experts. But Time Inc., which owns other subscription businesses, including Synapse, a subscription marketing operation, could be looking to expand into the youth market. 13

As it headed into 2009, Time Warner seemed poised to complete a restructuring that would cast the conglomerate solely as a content company, jettisoning less profitable service-oriented businesses.

Time Warner CEO Jeff Bewkes has made no secret of plans to sell AOL in 2009. The Internet property consistently underperformed according to the company’s expectations, as revenues fell 20% to $4.2 billion, compared with $5.2 billion in revenues for the same period in 2007.

The company’s other major operations, including Warner Bros. Entertainment and Turner Networks, which take in the television channels TNT, TBS, HBO, CNN and the Cartoon Network, as well as DC Comics, continued to turn a profit in 2008. On particularly good box office returns for “The Dark Knight” and the film version of “Sex in the City,” filmed entertainment was the most profitable area of Time Warner’s business in 2008, followed by the cable networks.

As Time Warner continues to reorganize, the future of Time Inc. is uncertain. While it is the core of the company’s legacy, the magazine division’s revenues have shrunk since 2004.

**Hearst**

The No. 3 magazine publisher in America, Hearst, retrenched in 2008.

Its magazine properties include Cosmopolitan, Good Housekeeping and Esquire.

In July 2008, it announced plans to close Quick and Simple, a housekeeping tips magazine. In October, Hearst also closed the print edition CosmoGirl, the teenage spinoff version of Cosmopolitan. The publication will live on as cosmogirl.com. Hearst folded CosmoGirl’s subscriber base into Seventeen, the largest-selling monthly teen magazine.

In November, the company announced that the quarterly Oprah Winfrey-branded home furnishings magazine, O at Home, would be absorbed back into the company’s Winfrey flagship, O magazine.

Despite the closings and consolidations, Hearst did announce one major launch in 2008 that it hopes will bolster revenues in 2009.

In September it announced the launch of Food Network Magazine. The magazine, whose test publication hit
newsstands in October, features Food Network personalities, offers recipes and cooking tips and will have an official launch in the summer of 2009 on an every-two-months publication schedule.

Revenue from magazine publishing makes up 51% of Hearst's total revenues. 14 (As a private company, Hearst does not release financial data by division, but Ad Age figures indicate that newspapers bring in 32% of revenues and television 16%.)

The latest financial estimates for Hearst are from 2007, before the economic downturn. That year, according to Ad Age, Hearst revenue from its magazines grew 5% to $2.34 billion compared with $2.23 billion in 2006.

**Other Top Ten Owners**

Beyond the big three companies, the magazine field is notable for its lack of big media groups.

Many publishers are companies that specialize in magazines. All derive the largest share of their revenue from magazines. And most of these magazines are aimed at niche audiences with specialized advertisers.

In general, magazine revenues make up a much larger share of revenues at these companies than at the industry’s three largest owners.

Meredith, the fourth-biggest magazine publisher by the Ad Age revenue figures, owns 11 local television stations, a radio station and the social media marketing firm New Media Strategies. Meredith publishes magazines targeted to majority female audience, including Better Homes & Gardens, Ladies’ Home Journal and Traditional Home. About three-quarters of Meredith’s revenues come from magazines. 15
In fifth place is McGraw-Hill, which publishes BusinessWeek and owns J.D. Power and Associates, and a number of professional and technical publications, including Aviation Week.

Reed-Elsevier is the eighth-biggest magazine company in the country. The company, which also owns the LexisNexis database service, publishes Variety, Broadcasting & Cable and New Scientist.

Three others among the top 10 magazine companies in the country are essentially magazine publishers exclusively. According to Ad Age data, magazines represent virtually 100% of the revenues of Wenner Media, the publisher of Rolling Stone; Source Interlink, which owns Motor Trend, and Elle’s publisher, Hachette Filipacchi.

Bonnier, a Swedish company that bought Time Inc.’s Parenting Group and Time 4 Media publications in 2007, has 40 publications in the U.S. and has annual revenue of about $350 million. Some of Bonnier’s U.S. publications include magazines that have had huge advertising declines in 2008, including Yachting and MotorBoating, as well as some like Parenting, that have mostly weather the economic storm.

**News Weekly Owners, Outside the Top Ten**

Among other owners of news weeklies, 2008 was a quiet year when it came to transactions. Industry experts noted the lack of mergers and acquisitions in the industry in 2008 as the companies struggled to restructure internally.
Dennis Publishing, the British company that owns The Week, launched a joint venture with Media Transasia to create the largest men’s magazine publishing company in India. Dennis, which also owns British Maxim and Men’s Fitness, began publishing an Australian version of The Week in October. 18

The company sold off all its U.S. holdings, other than The Week, in 2007.

The other two big players in the market, Newsweek and U.S. News & World Report, are owned by the 27th- and 66nd-largest media companies respectively, the Washington Post Company and Zuckerman Properties.

The Washington Post generated just 6% of its revenue from magazines in 2008. Much of that magazine revenue comes from Newsweek, although some also is derived from magazines the company owns abroad. About 18% of Post Co. revenue came from newspapers and 7% from television. The Washington Post Co.’s educational business, including Kaplan test preparation, brought in the lion’s share of revenue, 52%, in 2008.

For the year, revenues were down at the newspaper (10%), magazine divisions (13%) and broadcast television holdings (4%). They were up in cable (15%) and at the education (15%) division. Over all, the company’s revenues were up 7%, to $4.4 billion from $4.2 billion in 2007. 19

Profits, however, fell 64% to $174.2 million, compared with $477 million the year before, in part due to one time costs associated with employee buyouts at the magazine and newspaper. 20

In October, the company completed the purchase of Foreign Policy magazine from the Carnegie Endowment for International Peace, a private, nonprofit organization based in Washington.


Magazine revenues grew in 2007 to $256 million, up from $254 million in 2006 – an increase of less than 1%.

Mergers and Acquisitions Over All

As credit and capital markets tightened, there were few magazine sales and mergers in 2008. 21

In fact, several pending magazine sales collapsed because of the high cost of borrowing.

For example, in August, the sale of Entrepreneur (the publisher of Entrepreneur magazine) to Texas-based private equity firm Arlington Capital for a reported $200 million fell through because the buyer was unable to arrange financing for the purchase. 22

Over all, there were 42 mergers and acquisitions in the consumer magazine sector, worth $192 million, a drop of 25% from 2007. The value of the deals fell a staggering 97%, according to investment banker Jordan, Edmiston Group. The firm said there were “no substantial transactions for the year.” 23

Jordan, Edmiston managing director Scott Peters told the magazine industry trade publication Folio that “2008 was the
year that magazine M&A didn’t get done.” He said. “There were very few, if any, transformational, sort of eye-popping
magazine deals.”

Among business-to-business titles, the activity fell sharply. There were 22 deals in 2008, down 46% from the
comparable year-earlier period. The value of the transactions was down 78%, to $417 million. The largest transaction
was the sale of Randall Reilly Publishing to Investcorp for less than $200 million. 24

In 2008, more media property purchases were made by strategic buyers—magazine or media companies—than
financial buyers, who are generally backed by private equity companies. Media investment bankers DeSilva and Phillips
reported that media companies have not led purchases since 2001. The investment firm attributed slower-than-usual
activity by private equity buyers to “the debt crisis.” 25

Footnotes


2. As a private company, Advance Publications does not generally disclose financial information, in contrast to public
companies like Time Warner and The Washington Post Company that are required to make this information available to
the public through filings to the Securities and Exchange Commission.


4. Advertising Age, Magazine 300, 2008 edition

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Introduction

By the Project for Excellence in Journalism

With the profitability of their print publications in steady decline, magazine publishers turned with greater urgency in 2008 to Web operations. In many cases they went beyond improving their online portals and experimented with new models for the digital distribution of content. Some even moved away from print journalism, cutting back on the number of print issues and borrowing features from other media.

As far back as 2006, Time had already announced, at least in concept, that it would use the Web for news and make the print magazine each week more a place for analysis and commentary. That migration gained velocity across the industry in 2008, though it was not fully clear, as yet, what that would mean, how it would work, or whether readers would follow—let alone whether there was a financial model that would support it.

Among the features of the Web-based magazine world during the year were the introduction at the news magazines of video webcasts (Newsweek), mobile wireless editions for iPhone/PDAs (Time), topic-specific channels at The Atlantic,
and plenty of Twittering (Time and elsewhere). U.S. News & World Report, as noted earlier, not only signaled it was effectively moving the magazine online entirely (printing only guides), but also it was shifting its focus online also toward searchable, consumer-oriented channels.

Increasingly, more magazines view their websites as stand-alone products that break news, aggregate content from outside sources, contribute immediate analysis of current events or provide searchable consumer information. Nearly all of the weekly, monthly and less frequent news publications studied in this report have geared themselves toward covering news on a daily basis for the Web.

For all this, the Internet remains a challenging medium for magazines. Unlike television or newspapers, which both seem suited for the Web with their focus on breaking news, the magazine franchise usually involves critical analysis—not something that lends itself to immediacy.

Will they be able to adapt?

By year’s end, the indications were not encouraging. None of the magazine sites attracted the readership that the largest newspapers and television networks commanded, although by some counts Time and Newsweek had moved into the top 25 among general interest news websites. 1 And revenues from these emerging sources still represented a small fraction of total income, and failed to make up for losses in ad revenues from print editions.

The publishers also continued to explore different content models in 2008. Nearly all offer breaking news coverage at no cost, but some have found ways to make money from archives, searchable data and digital editions.

**Digital Magazine Services**

Magazines online also looked during the year to develop new ways to develop revenue from the Web by using their brands and often their archives.

One of the most notable examples came from Time Warner, whose storied history in magazines lent itself to looking for ways to exploit that legacy. The company owns the rights to Life magazine, which was published from 1936 to 1972 and again from 1978 to 2000. Over those years, it acquired an extensive archive of some of the world’s best photojournalism.

In September of 2008, it announced that it was making thousands of famous Life images available for free viewing through Google. Those who wanted to own high-quality prints of the images could purchase them for fees ranging from $79.99 to $109.99.

The move was undertaken in part to draw attention to its plans to launch in 2009 LIFE.com, a website with archival and contemporary images.

“Image search is the fastest-growing type of online search, and LIFE.com will satisfy the public’s desire for quality and relevant imagery through a visually pleasing and easy-to-browse website,” said Life president Andrew Blau. 2

Newsweek looked to its recent history as a chronicler of political campaigns. In October, Newsweek began selling
repackaged collections of its recent coverage of the presidential candidates as e-books for Amazon’s Kindle electronic book readers. Newsweek editor Jon Meacham said, “The Kindle platform has created the opportunity to give readers something with the breadth of a political biography, but with digital immediacy.”

In addition to Newsweek, periodical editions of Time, The Atlantic and Reader’s Digest are also available on the Kindle platform, for $1.25 to $1.49 a month.

Another intriguing development in 2008 combines both magazines and the Web in a fee-based system. More publishers began to offer digital replicas of their print magazines. The advantages for the publishers are clear: they save on paper, printing and distribution costs, and can embed Web-based features such as audio, video, links and other tools. The e-editions carry the advertising found in the print editions, too.

Readers of digital magazines have the advantage getting the publications delivered electronically and immediately, of archiving and accessing back issues. Not least of all, digital magazines are more environmentally friendly than paper ones.

In September, Time Inc., Time’s parent company, launched MagHound (maghound.com). MagHound delivers digital editions of more than 300 magazines, with an emphasis on Time Inc.’s titles. Users can buy magazines on an à la carte basis or a monthly package of three or five publications. Maghound also sells subscriptions of print editions.

The model resembles another effort, called Zinio.com, which was launched in 2001 by Zinio, an online publishing and distribution services company. Zinio distributes digital or digital-only versions of 850 magazines, including U.S. News & World Report, BusinessWeek, Playboy and Car and Driver.

Zinio.com users access the digital editions from personal computers, handheld devices like the iPhone before magazines hit newsstands. Zinio.com gets a cut of sales as the online distributor. The site sells subscriptions, single issues and back issues.

Some individual magazines chose not to use a third-party digital magazine distributor like Zinio, and launched in-house digital editions. In November, for instance, Condé Nast’s New Yorker launched a Web-based, searchable digital edition for subscribers to the print edition, which is delivered before most copies of the print editions hit newsstands or arrive in mailboxes.

Readers can buy a digital-only subscription for the same cost as a promotional subscription of the print edition ($39.95 for one year).

Some New Yorker print content is held back from the Web site, at least temporarily, in a bid to encourage readers to get the publication on newsstands or via subscriptions.

Magazine Web Economics

With a downturn in revenues from advertising and circulation, the projected growth in revenues from magazines’ digital platforms offered some of the relatively small amount of good news to magazine publishers received in 2008.
It is difficult to ascertain how much money the magazines are making from their digital operations. Few publishing companies report revenue figures, fewer still by revenue source or single publication. But estimates suggest that digital revenues are a small, but fast-growing, part of their business.

Projections from the media research firm Veronis Suhler Stevenson and analysis of advertising revenues by Advertising Age, a magazine that covers marketing and the media, indicate digital revenue grew at double-digit rates in 2008.

Veronis Suhler Stevenson projected that magazine revenues from digital platforms would grow by 29% in 2008, although those estimates were made before the economy fell into crisis.

According to Veronis Suhler Stevenson, digital represented just 2% ($542 million) of all magazine revenue in 2007, compared with 41% for circulation ($10 billion) and 58% ($14 billion) from advertising.

The share from digital revenues was projected to increase to about 3% in 2008, but the growth rate is expected to taper off over the next four years. By 2012, digital is expected to have grown but only to 7% of all magazine revenues. In short, the Web will not be the future of the magazine industry, at least according to current view.

A possible exception involves magazines with readers who are especially Web-savvy. Among the 10 magazines ranked by the percentage of the magazine’s overall net revenue coming from digital revenues by Ad Age, three were about computing. In 2007, PC World was the leader, with 38% of its revenues coming from digital platforms.

Another computer magazine, Ziff Davis Media’s PC Magazine, closed its print edition altogether in 2008.

Ziff Davis Media CEO Jason Young told Folio that the company’s digital business would account for about 70% in 2008. Seven positions at the magazines were cut as a result of the closing. “We’re in a good position to make this move, when a lot of other publishers downsizing don’t have this kind of scale,” Young said.

Consumer Reports, according to data compiled by Advertising Age, brings in more than one third of its revenues (36%) from its digital properties and is ranked second among magazines by percentage of overall net revenue coming from digital operations in 2007. It charges readers for archived product reviews and other consumer advice.

The revamped usnews.com of U.S. News & World Report also sells archived content, such as its Best Colleges database. The searchable premium electronic version costs $14.95. In August 2008, U.S. News President Bill Holiber reported that online revenue for the Best Colleges site was up fivefold.

Business publications, in turn, also continued to capture a big share of dollars online. Entrepreneur, which was ranked first in 2006, came in third in 2007 (at 34.5%), while three Time Inc. publications — Fortune, Money and Fortune Small Business — were included in the top 10, each with 24.5% of revenues from digital platforms. Five of the 10 magazines ranked by Ad Age were business publications (including two business-to-business publications).

No news magazines were included in the Ad Age rankings of the top 10 in percentages of overall digital revenue for 2007, the last year for which Ad Age has complete figures for most publishers.

The previous year, the list included 25 publications and only one news magazine made the cut: Newsweek.com, which
tied for last.

Overall online advertising—which makes up the largest share of total digital revenue—still represents a very small portion of all total magazine ad revenue. At Time Inc., which leads among big magazine publishers in the share of revenues from digital businesses, that segment accounted for just 10% of its 2008 ad revenue.8 The publisher, one of few that report digital revenues separately from other types of earnings, increased the share of revenues from digital sources from 7% in 2007. 9

And that is on the high end for publishers, according to estimates from Advertising Age. The trade publication estimated that Condé Nast collected just 3% of revenues from digital sources in 2008, one of the lowest proportions among the other magazine publishers tracked by Ad Age. 10

In 2009, the publisher promised more attention to fostering its digital operations. It closed CondéNet, which had managed magazine websites as well as those for standalone sites like Epicurious.com, Concierge.com and Hotelchatter.com, and consolidated those operations under Condé Nast Digital. The new structure gives advertisers the ability to buy ads across Condé Nast’s stable of digital businesses, rather than buying ads for individual websites.

Condé Nast president Charles H. Townsend told Ad Age, “To get back to double-digit growth, we have to put our digital assets to work hard. I am hoping that the print business will recover to double-digit growth, but I am convinced that the digital business will grow exponentially.”

Despite the talk of investing in the future, CondéNet was targeted in October 2008, for layoffs as part of a 5% staff reduction throughout Condé Nast. The exact number of layoffs was not released. 11

The big question for the largest magazine publisher in the U.S. (by revenue) in 2009 will be whether it can significantly increase revenues from the Web as its once-reliable print titles continue to struggle. 12

**Online Audience**

Despite the questions about revenue, news magazines, like other legacy media, have shown an ability to attract readers online.

Newsweek.com increased audience substantially compared with the five other news magazine websites tracked by Nielsen Media Research. 13 Among these websites, Newsweek.com attracts the biggest audience, 9.8 million unique visitors, based on November 2008 data from Nielsen. Audience increased 83%, although this rate is far below the growth from 2006 to 2007, when the magazine’s site was spun off of MSNBC’s and traffic soared by 183%.

At U.S. News & World Report, which overhauled its website (usnews.com) in the summer of 2008, with more tools, articles and better accessibility of the ranking data for sites including its Best Colleges franchise, 14 growth was also brisk. Audience for usnews.com increased 118% over 2007, to 2.6 million visitors, again based on November 2008 data.
Change in Audience for News Magazine Websites
2006 to 2007; 2007 to 2008

<table>
<thead>
<tr>
<th>Website</th>
<th>Percentage Change, 2006 to 2007</th>
<th>Percentage Change, 2007 to 2008</th>
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<tr>
<td>newsweek.com</td>
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<tr>
<td>usnews.com</td>
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<td>118</td>
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</table>

Source: Nielsen Media Research, used under license

Another news magazine website that has invested a lot in a 2008 redesign was The Atlantic (theatlantic.com). In 2008, its unique monthly audience doubled over 2007 figures, to 1.3 million. The website added to big increases in audience in 2007. In 2006, theatlantic.com’s monthly audience totaled 274,000, the lowest among the news magazine websites. The website’s audience in 2008 was bigger than that of The Economist’s and The New Yorker’s.

The New Yorker bested the audience growth in 2007, when it increased unique visitors by 11%, to 545,000. It added 283,000 unique monthly visitors, to 828,000 in November 2008, a 52% increase.

The numbers suggest that success in print does not necessarily bring readers to online products, or vice versa. Traffic to economist.com was actually down from 2007 by 20% to 553,000 unique visitors. The Economist’s North American print edition had significant increases in audience and advertising growth in a year that was particularly unkind to other news-oriented periodicals.
Unique Visitors for Select Magazine Websites
November 2006; November 2007; November 2008

Design Your Own Chart
Source: Nielsen Media Research, used under license
The Atlantic moved much more aggressively in 2008 toward a digital future. In December 2007, it announced it was eliminating 2 of its 12 print issues during the year. Meanwhile, online, theatlantic.com removed its paid content firewall, added bloggers and incorporated various social networking features.

In a further signal of the move toward digital, in March, the magazine lured Jay Lauf from Condé Nast’s Wired to become the Atlantic’s publisher. And in November, it hired former Wired executive editor Bob Cohn to be editorial director for theatlantic.com, a new position, reporting to the magazine’s editor, James Bennet.

In a redesign, Web-only content was moved to front and center, such as breaking news and blog posts from contributors Andrew Sullivan, Megan McArdle and Marc Ambinder. Content from the current print issue remained on the Web site’s three-column design, but was less prominent than the daily content.

Theatlantic.com also began publishing its own occasional Web-only magazine, The Current, a digital publication of essays on news and current events. In January 2009, The Atlantic Business and Politics channels were launched.
The business channels featured columns, interview and news analyses by Atlantic contributors including Megan McArdle, Tyler Cowen, Conor Clarke, Arnold Kling, Jim Manzi, Grant McCracken and Bart Wilson. The politics channel is edited by Marc Ambinder.

The channels are promised as the first of multiple topic-specific microsites. At launch, the channels were each sponsored by a single company: Bank of American for business and Shell Gasoline for politics.

More than any other news magazine Web site, The Atlantic embraced social networking as a way to build an online audience and even report the news in 2008. The Atlantic focused on cultivating a Facebook community after establishing a presence on the social net in October.

On Election Day, November 4, 2008, the Atlantic site employed Twitter, the social networking and micro-blogging service that allows its users to send and read text-based posts of up to 140 characters. Theatlantic.com contributors posted items throughout the day.

Time Inc., which pledged in 2006 to transform itself into a “multiplatform” news organization, took further steps in that direction in 2008.

The second redesign of Time.com in two years was begun in September 2008.
While still in partnership with CNN.com, Time.com was changed to more closely reflect the redesign of the print publication. A blogs section was eliminated in favor of spreading the blogs throughout the site. A “Must Reads” section, devoted to stories, commentaries and blogs on developing stories, was added.

Like Newsweek.com, Time’s website posts third-party breaking news content—mostly from the Associated Press—alongside the “must-reads” website exclusives. Time.com also posts various short pieces on the homepage, quotes of the day, short biographies of people in the news, and brief histories of newsworthy institutions, people and events. These features are timely but have a longer shelf life than breaking news stories. For example, bios of Obama cabinet designees up for confirmation in the Senate may be updated and repeated as they make news.

Time.com also launched a mobile website powered by Crisp Wireless. It is optimized for iPhones and Wi-Fi-enabled iPod-touch devices with scalable sliding pages, and the “tap and slide” user input native to both devices.

In March 2009, Time Inc. was weighing whether to make Time.com and People.com subscription-based, as a way bring in more revenue. 20

Under chief executive Jeffrey Bewkes, who headed AOL before its merger with Time Warner, the company seems intent on blazing a new trail in the digital world.

Freed from a long-term partnership with MSNBC.com, newsweek.com looked to establish a new identity as a stand-alone website in 2008. Newsweek.com had been hosted on MSNBC.com from 2000 through 2007 as part of an agreement between the Washington Post Company, which owns Newsweek.com, and NBC, then the part-owner of
MSNBC.com. The arrangement was renegotiated, and the new multiyear deal represents a much looser association between Newsweek.com and MSNBC.com. “We really wanted the experience to reflect more of what’s going on on the Web now, as opposed to seven years ago when we launched [on] the MSNBC site,” said Newsweek.com editor Deidre Depke.

Among the changes in the new site was original video reports and greater cooperation with other Washington Post operations, such as Slate and the namesake newspaper.

The Post and the magazine first collaborated on video coverage from primary elections states on Super Tuesday, February 5. and Ohio and Texas on March 3. Newsweek.com and washingtonpost.com jointly hosted discussion forums, taking questions submitted by users of both Web sites, and published blogs from Washington Post reporters on the campaign trail. The two websites collaborated once again for similar coverage of the 2008 Republican and Democratic national conventions.

The next month, the two partnered with EWTN, a U.S.-based broadcasting network that carries Catholic-themed programming for special coverage of Pope Benedict XVI's April visit to Washington. EWTN's On Faith host Sally Quinn and Newsweek Editor Jon Meacham conducted the webcasts.

Newsweek.com also added to its roster of bloggers in 2008, enlisting Post columnist David Ignatius and Newsweek International Editor Fareed Zakaria to contribute.

In addition, Newsweek.com expanded two popular features to offer more online than in print: Periscope, which features advice and commentaries from outside experts and personalities and the Conventional Wisdom, where Newsweek editors weighed in on the issues of the day, from the profound to the trivial.

The Newsweek-Post Web partnership extended beyond video webcasts in 2008. Together they launched Theroot.com, a daily online magazine targeted at African Americans. (See African American Media.)

Breaking news is delivered to the Newsweek site from the Associated Press, while the site’s stable of bloggers often weigh in on the events of the day. Web-exclusive articles are mostly prominently displayed on the homepage. Print magazine-specific content and articles are located on a separate navigation tab. Other tabs link to the international edition of the magazine and to MSNBC.com.
U.S. News & World Report reinvented itself in 2008 by emphasizing digital publishing and giving up the news weekly format altogether.

In print, starting in 2009, U.S. News was limited to monthly editions based around one of four content areas: health, money and business, education and science. Many will be focused on the publication’s “best of” franchise of consumer-oriented information such as its annual rankings of American colleges.

Online, the range of topics is somewhat more expansive. Usnews.com features exclusive content on national and international affairs, opinion pieces, photos and videos. Rankings of America's best cars and trucks, hospitals, public leaders and other lists appear on the websites, many with more expansive microsites (clusters of pages that function as a supplement to a primary website).

U.S. News Editor Brian Kelly told PEJ that only the Web could allow the publication to disseminate the amount of information it gathers on its primary topics. “We probably have half a million pages online,” Kelly said. “What you see online are portals to what are libraries of information on these topics. It's something we could never do in print.”

Kelly said that with the development of individual channels of the U.S. News site, it is more a competitor with WebMD (for health information) or CNNMoney (for personal finance and business) than other magazine sites like Time or Newsweek.
The U.S. News website is a natural competitor to Consumer Reports, a magazine that is well established on the Internet. U.S. News seems to be patterning itself on Consumer Reports, which has built up its digital business in recent years by opening its archives of product reviews to readers willing to pay.

While the focus of the U.S. News Web strategy was on consumer information in 2008, traditional news coverage is still a part of the website. In January 2009, U.S. News launched U.S. News & World Report Weekly, a digital weekly news magazine. 21

Economist.com

Ever the iconoclast, economist.com avoided the rush to flashy Web technology. It made few substantive changes to its Web site in 2008. But it did streamline the process used to obtain copyright permission for reprinting articles and licensing content. 22

Like its competitors, economist.com offers a dose of daily news, blogs, audio, video and interactive/informational graphics. What sets its website apart from its other news-oriented competitors is the focus on markets and economic data.
Economist.com frequently publishes charts on consumer spending, various market indices, currency value and conversion charts and various rankings on technology, politics, risk, education, business and economics.

The magazine lost its bid to gain the rights to the domain name TheEconomist.com in 2008. That site was created in 1996 as a tribute to the former U.S. Federal Reserve Chairman Alan Greenspan, but has not been updated since 2002. Nevertheless, the World Intellectual Property Organization denied the magazine’s claim to the name.

Footnotes

1. Based on a PEJ analysis of Nielsen data, April to October 2008.
5. Ad Age Data Center, “Magazine 300: 10 Digital Leaders.”
11. These include websites for The Economist (economist.com), The Atlantic (theatlantic.com), Time (time.com), The New Yorker (newyorker.com) and U.S. News & World Report (usnews.com). The number of unique visitors to the website for The Week (theweek.com) for November are too few to reliably analyze.
500-percent.

14. From 2000 to 2007, msnbc.com hosted the Newsweek site and sold and placed ads on its page. In October 2007 the two companies ended the distribution arrangement, and Newsweek migrated its website from the msnbc.com homepage to its own Web address, Newsweek.com. As a result, Newsweek took control over content and advertising sales for the site. But the two sites still share content and an msnbc.com tab is featured on the Newsweek.com homepage.

15. Diedre Depke, Interview with BeetTV.com, undated. Online at: http://www.youtube.com/watch?v=0NuwhPAN1Q


**Opinion Titles**

**Opinion Titles**

**Introduction**

*By the Project for Excellence in Journalism*

As the political winds shifted toward Democrats in 2008, the cross currents already seemed to be lifting the nation’s conservative opinion magazines.

The popularity and the energy of opinion magazines often move opposite to changes in the political landscape, and that process had begun for conservative publications after 2006.
Circulation of the right-leaning National Review, for instance, peaked in 1994 at almost 270,000, two years into Bill Clinton’s presidency, and fell to 150,000 after Republicans took power in the House and Senate. The liberal Nation, meanwhile, saw its circulation climb steadily after the election of President George W. Bush, topping out in 2006 at more than 186,000.

In 2008, true to form, conservative publications saw growth and liberal ones generally lost ground. “There is a countercyclical nature to this business,” said Rich Lowry, editor of National Review, whose circulation grew in 2008. 1

Unlike mass-market consumer magazines, opinion journals do not rely on advertising. Profits are rare, and benefactors or readers normally keep these magazines afloat.

As such, opinion magazines were less susceptible to the downturn in the print advertising market in 2008.

However, a simmering debate over the impact of postal rates for mailed magazines continued to raise alarms from some smaller publications.

Circulation of Leading Opinion Magazines

1988-2008

![Circulation of Leading Opinion Magazines](chart.png)

National Review had an eventful year, enduring the death of its founder and former editor while it also increased its circulation.

William F. Buckley, Jr., who launched the every-other-week magazine in 1955, died at 82 on February 27, 2008, at his desk. In October 2008, his son, Christopher Buckley, a columnist for the journal, resigned after endorsing Barack Obama for president in a blog posting on TheDailyBeast.com. Christopher Buckley told the New York Times that he had “been effectively fatwaed by the conservative movement” following his endorsement. 2

David Frum, a conservative writer and a fixture on The Corner, National Review’s blog, also departed after negative comments he made about the fitness to serve of the Republican vice presidential nominee and Alaska Governor, Sarah Palin, prompted another controversy. “The answers to the Republican dilemma are not obvious and we need a vibrant discussion,” he told the New York Times. “I think a little more distance can help everybody do a better job of keeping their temper.”

For its part, the magazine pledged to provide “intelligent, disciplined opposition” during the Obama presidency.

The swing to Democrats has already helped National Review’s readership. The magazine increased its circulation by more than 14,000 in 2008, to 178,780, the highest among the opinion magazines examined here.

National Review publisher Jack Fowler told PEJ that his publication relies on donations from readers as its biggest source of revenue, followed by circulation and advertising.

The magazine was established as a for-profit company in 1955, and as such, Fowler explained, cannot take donations from institutional donors like as nonprofit organizations and think-tanks. Because of its status, donations to the magazine are not tax deductible, which poses another challenge to raise money in tough economic times. “It’s hard to ask retirees for donations when they’ve seen their nest eggs disappear,” Fowler said.

Yet operating under nonprofit status would prevent the magazine from taking positions on legislation or endorsing candidates.

And while traffic to National Review’s website spiked during the election campaign, according Fowler, and was up over 2007, the online portal continues to lose money. No content from the magazine appears on the website. “Our magazine loses money, and the website loses more money,” Fowler said. “You have to have fresh content on the Web, and we have to pay people to do that."
The New Republic

Less than two years after selling the left-of-center New Republic to Canada’s largest media company, long-time editor-in-chief Martin Peretz emerged among a group of private investors who bought it back. Terms of the deal were not made public at the time of the March 2009 sale.

CanWest Global Communications paid $2.3 million for its initial, 30% stake in 2006, and took full control in 2007 for an undisclosed additional investment. The corporate owners cut the magazine’s frequency from weekly to every other week. A redesigned magazine and website debuted in March 2007.

At the time of the 2007 sale, Peretz said corporate ownership was good for the magazine. He told the New York Times that CanWest’s investment would help because small publications “are finding it hard to meet the demands of the marketplace.”

CanWest, which owns a stable of television stations and newspapers based almost entirely in Canada, sold the magazine and other properties in an effort to reduce debt. “[The New Republic] remains our only American asset and as such, we have determined it to be non-core to Canwest,” the company’s President and CEO Leonard Asper said in a statement.

The New Republic, published since 1914, focuses on a broader range of topics than most opinion magazines, including politics, public policy and the arts. The publication gained a reputation for hawkish views on foreign policy following its full-throated support of the U.S.-led invasion of Iraq in the lead-up to war in 2003, a position it came to regret three years later.

Changes at the publication failed to attract new readers in 2008.

Circulation decreased by 612, to 65,162 in 2008. As recently as 2000, the magazine’s circulation stood at 101,268.

The Weekly Standard


Its circulation grew to 76,033, from 74,094 in 2007.

Like most other political opinion magazines, the News Corporation-owned Weekly Standard generally loses money. But News Corp. chairman Rupert Murdoch has long dismissed the idea of selling The Weekly Standard. Although Murdoch put up the money to launch the magazine—and absorbs its losses—Kristol and Barnes insist they have editorial independence.

The magazine’s orientation against many of the stated policies of the Obama administration and Kristol’s high profile throughout the election campaign in 2008—he wrote an Op-Ed column for the New York Times that has since been
discontinued he and appeared regularly on Fox News Channel—could bode well for The Weekly Standard in 2009.

**The Nation**

The 144-year-old Nation lost readers for the second year in a row in 2008.

The magazine’s circulation hit a peak of 186,691 in 2006, but fell to 178,932 the next year and 173,930 in 2008. ¹⁰

Any drop in circulation hurts the publication because revenue from subscriptions and single copy sales is its biggest source of revenue, followed by donations from readers and supporters, and advertising sales. According to Nation president Teresa Stack, advertising makes up about 20% of all revenues at the magazine.

The Nation Company, a private limited partnership, owns and publishes the magazine. The publication generally loses money each year and defrays costs with donations from a group of supporters called The Nation Associates.

Stack said losing money is a fact of business at opinion journals like The Nation. “The fact is, no magazines in this category make money—we are all run more like a cause,” Stack told Publishers Information Bureau. ¹¹

**Postal Rate Increases**

An increase in postal rates approved by the Postal Regulatory Commission in 2007 forced small-circulation magazines to look for ways to defray higher costs.

The new rate was intended to reduce the Postal Service’s costs for mailing periodicals, but it also translated to a big increase for small, time-sensitive publications.

Fowler, National Review’s publisher, told PEJ that his magazine’s contract with its printer expired in 2007, allowing it to shop around for a printer that was able co-mail with other publications, something larger publishers are able to do to reduce costs. Fowler also said his publication had more flexibility with scheduling deliveries than small magazines like the Nation, which is generally more timely.

The higher mailing costs, which represented an 18% increase at The Nation in 2007 — estimated at an extra $500,000 a year — prompted the magazine to seek donations from readers, rather than raising subscription rates. “If you raise rate you get lower circulation, it’s a real balancing act,” Stack told FolioMag.com. “So it was natural for us to say to our readers ‘this is what we’re facing, can you help us?’ ” ¹²

Stack told PEJ that donations to The Nation covered the additional costs in 2007, but said the magazine could not go back to that well in 2008 and had to absorb additional costs. The rate Postal Service rate increase for 2008 amounted to a smaller, 5% hike.

The costs of distribution will most certainly increase in 2009 as well. In February, the Postal Service increased rates for periodicals again, this time by about 4%. ¹³
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Content Analysis

Magazines Content

By the Project for Excellence in Journalism

Introduction
The most basic data on news magazine content are derived from Hall’s Media Research, which analyzes magazines page by page to determine what topics are receiving coverage.

In previous years, the Hall’s data revealed that both Time and Newsweek had broadened and lightened the range of topics they covered. There was less focus on national government news and more of lifestyle topics. U.S. News & World Report, the outlier, had maintained a comparatively stronger orientation to traditional national, international and business news.

In 2008, however, that trend line changed. At Time and Newsweek the presidential election helped turn the focus firmly back to national affairs, at the expense of international, health and lifestyle coverage. U.S. News & World Report focused its editorial more on consumer-oriented features and stories on health and personal finance. The magazine greatly reduced its national and international affairs as well as its business news.

News Magazine Topics Over Time

1980-2008

Design Your Own Chart

Source: Hall’s Media Research, unpublished data
Data for Time, Newsweek and U.S. News & World Report
At Time, coverage of national affairs grew by nearly a quarter (8 percentage points) to 35% of all editorial space during the year. Moreover, that was 22 percentage points more than any other topic, and led, in turn, to declines in nearly everything else. International news fell by a nearly a fifth to 13% of editorial space, business by more than a third (to 5%) and culture news by a quarter to 10%.

The level of health coverage was basically unchanged in 2008.

At Newsweek, national affairs made up an even greater portion of the coverage, 39%. Business held at 7%, up a point, while health decreased nearly a third to 7%, and international news dipped by nearly a fifth to 11%.

One common denominator at both publications was a shift away from international coverage. (see News Investment.)

At U.S. News, the transitioning focus toward being a lifestyle guide led to a different profile—a boost in health and personal finance coverage at the expense of the hard news topics that once defined the magazine.

After offering more national and business news than its two main competitors for many years, U.S. News was now about on par with them in 2008. National news made 35% of the coverage (it was 36% in 2007); international news fell by nearly a third to 9%; business news was down slightly, to 8%, from 9% a year earlier.
In their place, the magazine gave small boosts to several consumer-oriented topics. Health news increased 2 percentage points, to 14%, personal finance grew a point to 8% and cultural coverage edged up a point to 12%. Slighter increases were seen in the amount of news on entertainment, travel, leisure, sports, home and garden and fashion, food and beauty.
Another indicator of the content and personality of the news weeklies is how they sell themselves at the newsstand: their covers.

The cover pictures and text not only tell readers what is inside, but they also set a tone and evoke a personality.

Newsweek leaned more heavily on national and international affairs. Time addressed a broader range of topics, including health, education and volunteerism.

Comparisons with U.S. News & World Report here were more difficult, but also indicate the magazine’s direction. In July 2008, U.S. News transitioned to an every-other-week schedule and in 2009, cut back to monthly publication. U.S. News turned out fewer issues than Time or Newsweek, and yielded a much higher proportion of cover stories related to its topical focus — many on single topics, such as choosing a college — though not necessarily addressing news trends and events. For that reason, our cover analysis concerns only Time and Newsweek.

At Newsweek, 54% of the covers were about national affairs — 23 of those 27 about the election. At Time, 20 of 21 national affairs covers concerned the election.

### Newshole by Topic at Time, Newsweek, U.S. News

<table>
<thead>
<tr>
<th>Topic</th>
<th>Time (%)</th>
<th>Newsweek (%)</th>
<th>U.S. News (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Affairs</td>
<td>34.9</td>
<td>38.5</td>
<td>35.3</td>
</tr>
<tr>
<td>International News</td>
<td>13.3</td>
<td>10.6</td>
<td>8.9</td>
</tr>
<tr>
<td>Business</td>
<td>5.4</td>
<td>7.4</td>
<td>7.8</td>
</tr>
<tr>
<td>Health</td>
<td>5.5</td>
<td>6.8</td>
<td>12.1</td>
</tr>
<tr>
<td>Personal Finance</td>
<td>2.4</td>
<td>2.4</td>
<td>8.2</td>
</tr>
<tr>
<td>Electronics</td>
<td>1.4</td>
<td>1.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Culture</td>
<td>9.9</td>
<td>11.7</td>
<td>13.8</td>
</tr>
<tr>
<td>Entertainment/Celebrity</td>
<td>11.0</td>
<td>9.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Travel/Leisure/Sports</td>
<td>4.4</td>
<td>2.0</td>
<td>0.3</td>
</tr>
<tr>
<td>Home &amp; Garden</td>
<td>0.2</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Fashion/Food/Beauty</td>
<td>2.1</td>
<td>1.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Children</td>
<td>0.6</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>General Interest</td>
<td>4.0</td>
<td>3.8</td>
<td>3.4</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4.3</td>
<td>4.1</td>
<td>5.5</td>
</tr>
</tbody>
</table>

Source: Hall’s Media Research, unpublished data
Newsweek had slightly more covers on foreign affairs, seven, up from five in 2007. Time had five, up one from the previous year.

But the magazines’ approach to world affairs differed. Newsweek, at least in promise, took a more thematic view, with covers on diplomacy (“The Post-American World”), Barack Obama’s post-election challenges (“The Global Agenda”) a special year-end issue (“The New Global Elite”) and two covers on China, both featuring Chinese athletes, but whose stories mostly concerned the nation’s economic influence.

Time’s covers focused more on events, such as the assassination of Benazir Bhutto in Pakistan, the Russia-Georgia conflict and the war in Afghanistan.

The war in Iraq was almost entirely absent on both magazines’ covers in 2008, the exception being Newsweek’s cover story in April on young men from the Libyan town of Darnah who were recruited to be suicide bombers in Iraq. Each magazine also had one cover about the military.
The magazines each had five covers on the economy, two of them for each before the economic crisis in September.

Newsweek was more likely to features topics related to lifestyle (three). Time focused more on health (four covers), addressing such subjects as childhood vaccination, juvenile obesity and the state of healthcare in the U.S.

While both magazines each featured the environment twice, the approach differed. Newsweek’s angles were more political, one assessing which presidential candidate was “the greenest of them all” and the other, featuring a polar bear, dubbed “The Politics of Endangered Species.”

Both sets of covers, though, were consistent with a move toward more analysis. A reporter for the New York Times, Richard Perez-Peña, wrote of Time and Newsweek: “They still produce some deep, original reporting. But these days, they are more likely to offer a comprehensive survey of a subject to present an argument or offer a prescription.”

Road to the White House

And which candidate for president appeared on the covers most?

In a runaway: Obama — 13 times in Time (10 prior to election) and 12 for Newsweek (9 pre-election).

In all, Time featured just four people associated with the campaign on its cover, Obama, John McCain (six times), Hillary Clinton (three) and Alaska Governor and vice presidential candidate Sarah Palin (once). In Clinton’s case, two of her three cover appearances were with Obama.

Newsweek spotlighted seven people: Obama 12 times, McCain 4, Palin 3, and Clinton 2. It seemed to go in rushes—Clinton and Obama in January, McCain twice in February, and Palin three times in September and October (plus a fourth mention, on a cover boldly entitled “What Women Want” on a commentary suggesting she be placed on the Supreme Court.)

Campaign Newsmaker Appearances on the Covers of Time and Newsweek, 2008

<table>
<thead>
<tr>
<th>Campaign Newsmaker</th>
<th>Time</th>
<th>Newsweek</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barack Obama</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>John McCain</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Joseph Biden</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Sarah Palin</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Hillary Clinton</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Michelle Obama</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Cindy McCain</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: PEJ research
The New Yorker

Hall’s data also track one of what might be considered an alternative to the news weeklies, The New Yorker. As we have seen in past years, The New Yorker’s topic range stands in contrast to the traditional U.S. news weeklies.

As it has done during past elections, The New Yorker also stepped up its national affairs coverage in 2008. The amount of national news coverage, measured in editorial pages, nearly doubled, to 13%, up from 7% in 2007.

A pitched presidential primary battle between home-state Senator Hillary Clinton and Barack Obama was closely followed by the liberal magazine with its trademark commentaries, profiles, articles and Talk of the Town vignettes.

New Yorker Magazine Topics

1980-2008

Design Your Own Chart
Source: Hall’s Media Research, unpublished data
But, while other magazines that cover the news reduced international reporting, the amount of foreign affairs coverage stayed remain basically unchanged (at about 7% of the newshole) at The New Yorker from 2007 to 2008. Coverage tilted toward Pakistan, with reporting from Steve Coll; Iran, with continued article by Seymour Hersh; and numerous other long-form pieces on China, Iraq, Israel and Afghanistan.

The magazine's culture coverage, a staple of The New Yorker, fell in 2008 to 22%, from 26% in 2007. Similarly, coverage of arts and entertainment receded slightly, to 23%, from 24% in 2007.

More space for national affairs coverage could be one reason arts and culture coverage was down in 2008 compared with previous years. But as we have seen in past years, these shifts in topic range are more regular at The New Yorker than at Time, Newsweek and U.S. News & World Report.

**Footnotes**


**Audience**

The audience for magazines, while it varies markedly by category, has shrunken considerably since the mid-1990s.

In 2008, some types of magazines — particularly a handful of niche publications targeted at a small, specialized segment of the population — added readers.

But magazines intended for mass audiences, for most part, saw readership declines in 2008. In particular, news magazines, the central focus of PEJ's research on periodicals, continued to have audience declines.

**Overall Magazine Readership**

The problems for the entire magazine sector can be seen most broadly in the percentage of Americans who consider themselves regular magazine readers. This is a measure of potential universe, beyond how many copies are sold, and includes online readership as well as print.

That measure has shown a slow, steady erosion since the 1990s. According a survey by the Pew Research Center for the People & the Press, 23% of adult Americans in 2008 said they read a magazine of some kind the day before — a drop of nearly a third from 33% in 1994, the first year the survey was conducted. 1
When asked specifically about news magazines, 12% reported reading one “regularly,” down 2 percentage points from 2006 and down 6 percentage points from a similar survey in 1994.

Another research firm, Mediamark, uses surveys to measure the total audience of a magazine – including, for example, several members of a household reading the same issue. The audience estimates show slight declines for Time and U.S. News, with Newsweek eking out a flat year.

The niche news publications, however, fared much better according to this survey. Gains there ranged between 2% and 23%, according to Mediamark. Audience for all magazines Mediamark surveys increased four-tenths of 1 percent in 2008 compared with 2007.

## Change in Magazine Audiences

<table>
<thead>
<tr>
<th>Magazine</th>
<th>Increase/Decrease from 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. News</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Time</td>
<td>1.2</td>
</tr>
<tr>
<td>Newsweek</td>
<td>0</td>
</tr>
<tr>
<td>The Atlantic</td>
<td>+2</td>
</tr>
<tr>
<td>The New Yorker</td>
<td>+7.3</td>
</tr>
<tr>
<td>The Economist</td>
<td>+22.8</td>
</tr>
</tbody>
</table>

Source: Mediamark. Figures are total print readership based on surveys.
Circulation

Despite gains in Internet traffic to magazine websites (See Digital Trends) and shared print editions, the most loyal base remains those who subscribe. The movement of this base is measured through audited circulation figures that calculate how many copies of a magazine were sold through subscription or newsstand sales. 2

Circulation for all of the three biggest news magazines declined in the first half of 2008, the latest period for which comparable data are available.

Newsweek and U.S. News both had substantial losses in total sales (subscription or single copy sales). Newsweek fell to 2.7 million copies per week in the first six months of 2008, down 13% from the same period in 2007. U.S. News fell to 1.8 million, or 10% (bigger changes came later in the year). Time had a negligible decline, down three-tenths of 1 percent, to 3.4 million.

Circulation for the Big Three News Magazines Over Time

![Chart showing the circulation trend of Time, Newsweek, and U.S. News from 1988 to 2008](Design Your Own Chart)

Source: Audit Bureau of Circulations

2008 figures based on publisher’s statements for the first half of 2008
At niche publications that compete for news magazine readers, most though not all posted gains in 2008.

The New Yorker, with a circulation of just over 1 million, had a slight decline (2%) in copies sold, after having added circulation in 2006 and 2007. The magazine also reported a decline in its subscriber base. Subscriptions accounted for 96.2% of its circulation in 2008, unchanged from a year earlier.

The Economist, which had a good year, added circulation for the third year in a row, up 8% to 747,254. Of those, 91% were by subscription.

The Week, a digest of the week’s news compiled from other outlets, managed to increase circulation in 2008 by 2%, to more than 500,000, but its growth slowed considerably compared with the previous two years. Subscription sales accounted for 98% of the circulation, the highest percentage among all the news magazines studied.

The Atlantic, the smallest-circulation magazine studied by PEJ posted the largest gains. The periodical, which in 2007 cut back publication from monthly to 10 times a year, had a big circulation increase in 2008, up 12% to close to 400,000 per issue in the first six months of the year versus the same period a year earlier, and that was before a well-received redesign of the print magazine and its companion website.

### Change in Circulation

<table>
<thead>
<tr>
<th>Magazine</th>
<th>2008 Circulation</th>
<th>Percentage Increase/Decrease from 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>3,389,166</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Newsweek</td>
<td>2,737,450</td>
<td>-12</td>
</tr>
<tr>
<td>U.S. News</td>
<td>1,828,293</td>
<td>-10</td>
</tr>
<tr>
<td>The New Yorker</td>
<td>1,043,931</td>
<td>-2</td>
</tr>
<tr>
<td>The Economist</td>
<td>747,254</td>
<td>+8</td>
</tr>
<tr>
<td>The Week</td>
<td>501,255</td>
<td>+1.7</td>
</tr>
<tr>
<td>The Atlantic</td>
<td>439,318</td>
<td>+12</td>
</tr>
</tbody>
</table>

Source: Audit Bureau of Circulations
The Question of Rate Base

Some of these declines in circulation are by design. All three of the traditional news weeklies in the United States, for example, have been actively trying to reduce minimum circulation the publications guarantee to advertisers in recent years.

Why would a magazine seek to reduce the number of copies it distributes?

The biggest share of revenue a magazine takes in comes from advertising, with a much smaller share from subscriptions and sales of individual copies. Advertising rates are based on a promised circulation number for each issue. This number is often lower than actual circulation.

If a magazine fails to deliver the promised circulation, a publisher has to refund advertisers a portion of the rate, based on how short circulation falls.

Publishers make certain that they meet the guaranteed circulation, or advertising rate base, mostly by attracting readers through incentives. And some offer steep discounts to subscribers to meet this goal, discounts that can cut into any profits.

With a slow erosion of ad sales at magazines since the mid-1990s—and significantly fewer ads bought in 2008—publishers have reconsidered the cost-effectiveness of trying to maintain high circulation bases. As Victor Navasky, the former publisher and editor of The Nation and now a journalism professor at Columbia University, sees it, reducing the rate base has become a strategy of necessity for news weeklies, “owing to higher mailing costs, paper costs and lower subscription returns, not to mention the growth of online.”

Time, Newsweek and U.S. News & World Report

In the last two years, all three news weeklies have reduced their circulation bases as a way to cut costs. They have also argued that circulation reductions allow them to focus on a smaller readership more valuable to advertisers.

Time began the current wave of rate base reductions. In November 2006, Time promised to trim its 2007 advertising rate base by 19%. As it turned out, Time cut slightly less than planned from the rate base, closer to 700,000. According to an Audit Bureau of Circulations report for the first half of 2008, the magazine maintained a rate base of about 3.25 million.
In November 2007, Newsweek without much fanfare, slashed its rate base as well, from 3.1 million to 2.7 million—a cut of 500,000 that represented a 16% decrease. 6

But as the economy weakened, the moves were seemingly insufficient.

In February 2009, Newsweek announced it would cut its circulation rate base throughout the year: from 2.6 million to 1.9 million in July and to 1.5 million in January 2010. 7 Focusing on a smaller elite audience would put Newsweek into competition with The Economist, a magazine that tries to present itself as a “thought leader” that emphasizes analysis more than straightforward reporting and has a smaller staff, lower production costs and an upscale readership coveted by advertisers. 8

It would also put Time, even with its move toward commentary and away from reporting, as the closest thing to a surviving mass audience weekly news magazine.

In April 2008, U.S. News & World Report announced a 25% reduction of its advertising rate base reduction, cutting it 500,000, to 1.5 million. Then, six months later, the periodical announced another even more fundamental change: it would cut the number of issues it publishes from 46 a year to 12 a year beginning in 2009, and focus each issue on single subjects like college and hospital ratings.

The most obvious question is whether the cutbacks are a signal of the long-predicted end of the mass market news magazine—the publications invented in the 1920s and 1930s to offer Americans a weekly summary of events in the world—or whether they signal something else, the smart realignment of these periodicals into smaller, leaner, thought-leader publications, a kind of hybrid of opinion and news magazines.

It is too early to know the answer. It may well be that the deteriorating economy could alter, or perhaps even scuttle, the planned realignments each magazine now has in mind.

What is clear is that already these are much smaller publications than they once were. Consider that in 1988, just 20 years ago, Time’s circulation was 28% larger than in 2009, Newsweek’s 17%, and U.S. News, which no longer exists as a print weekly, had a circulation of 504,000 more (22% larger).

**Rate Base at Other News Magazines**

With the exception of The New Yorker, whose advertising base remained the same from 2007, all of the other publications studied among news magazines—the so-called alternative or niche publications—pledged to increase the reader base promised to advertisers in 2008.

The Economist had the biggest increase. The magazine’s North American edition added 119,000 to its advertising base in 2008, for a total of 714,000.

The Week added 25,000 readers to its rate base, reaching 450,000.

In December 2008, as the result of an increase in subscriptions and website traffic following the rebranding of the magazine two months earlier, The Atlantic announced it would raise its guaranteed rate base by 50,000 to 450,000 for 2009
Circulation For Nontraditional News Magazines Over Time

1988-2008

Design Your Own Chart

Source: Audit Bureau of Circulations
2008 figures based on publisher’s statements for the first half of 2008

News Magazine Demographics

News magazine readers continue to represent an elite audience.

They are wealthier than the U.S. population at large, according to reader surveys by Mediamark Research.

Moreover, news magazine readership in 2008 got a bit younger compared with 2007, when the average age of the
population over all hit an all-time high. But the average age of readers of news magazines (47.2 years old) remains older than the average age of all magazine readers (42.9 years old) and the U.S. general population (44.8 years old).

Readers of news magazines make more money on average than the U.S. general population and got wealthier in the last year. The median income of readers of the news magazines we study was $81,104 in 2008, up nearly 6% from the previous year and 46% higher than the national median annual income ($55,462).

Over all, men are more likely to read news magazines than women. Of the six news magazines Mediamark tracks, the share of readers who are men is 10 percentage points higher than the share who are of women.
Demographic differences by magazine mostly break along the mass market versus niche format.

**Time, Newsweek and U.S. News & World Report**

The audiences for the Big Three news weeklies, according to Mediamark’s data, were similar in both age and income—and tend to be older and more affluent than the readers of subject-specific magazines like sports or music.

Time’s median reader is 46.2 years old and makes $70,260 a year, according to median figures. A typical Newsweek reader is a bit older and richer still: 46.8 with a median income of $73,204 a year, the highest among the traditional news weeklies. U.S. News & World Report had the oldest readers, on average, 49.6, and the second-highest median income, $69,650 among the news weeklies.

For all three, the readership also tilts more male than female. Male readers of them had higher incomes, on average, than female readers.
## Age and Income Demographics for Readers of Biggest Three News Magazines, 2008

<table>
<thead>
<tr>
<th>Magazine</th>
<th>Median Age</th>
<th>Average Income</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Time</td>
<td>45.1</td>
<td>47.4</td>
<td>$72,768</td>
<td>$67,202</td>
</tr>
<tr>
<td>Newsweek</td>
<td>46.0</td>
<td>47.7</td>
<td>74,622</td>
<td>71,009</td>
</tr>
<tr>
<td>U.S. News</td>
<td>49.0</td>
<td>50.5</td>
<td>72,199</td>
<td>64,467</td>
</tr>
</tbody>
</table>

Source: Mediamark, survey data
Design Your Own Chart
Mediamark Research, survey data
Other News Magazine Demographics

The audience of news magazines other than the big news weeklies tracked by Mediamark is harder to generalize, mostly because the publications are more distinct from each other. But one trait does stand out: These readers tend to be more affluent than those of the three larger mass market news magazines.

Readers of the elite news magazines also stand out for their high level of political knowledge. Nearly half (47%) of readers of publications such as The New Yorker, The Atlantic and Harper's answered three political knowledge questions correctly, the highest percentage of any news audience in the Pew survey.

Beyond that, the differences among the magazines say as much as the similarities. The Economist's readers are the youngest and richest of the group we study, and more likely to be men (2.1 million) as women (1.4 million). The median age was 39.9, the lowest of the magazines here, and the median annual income was $108,972.
Median Age, Readers of Nontraditional News Magazines
1995-2008

Design Your Own Chart
Mediamark Research, survey data
The Atlantic's audience is the oldest (median age 50.9), the second-most affluent ($85,182) and is the only one with more female readers (1.3 million) than male (721,000).

The New Yorker, with a somewhat higher circulation, is more of a cross section, affluent but not strikingly so for the group ($80,622), a little older but not the oldest (median 49.6), and fairly evenly split by gender (1.8 million men and 1.8 million women).
Age and Income Demographics for Readers of Nontraditional News Magazines, 2008

<table>
<thead>
<tr>
<th>Magazine</th>
<th>Median Age</th>
<th>Average Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>The Atlantic</td>
<td>50.4</td>
<td>51.4</td>
</tr>
<tr>
<td>The Economist</td>
<td>39.2</td>
<td>41.4</td>
</tr>
<tr>
<td>The New Yorker</td>
<td>48.8</td>
<td>50.5</td>
</tr>
</tbody>
</table>

Source: Mediamark, survey data

*Footnotes*

1. “Key News Audiences Now Blend Online and Traditional Sources,” by the Pew Research Center for the People & The Press, August 17, 2008

2. Fully 97.2% of Time's sales are subscription (vs. 2.8% newsstand). The number is 97% at Newsweek, and 98.3% at U.S. News.

3. Victor Navasky, e-mail exchange with PEJ.


5. According to the Audit Bureau of Circulations, Time’s actual circulation was 3.4 million as of June 2008.

6. According to the Audit Bureau of Circulations, Newsweek’s actual circulation was 2.65 million as of June 2008.


9. Audit Bureau of Circulations, 2009
Audio – Intro

Introduction
By the Project for Excellence in Journalism

Radio is well on its way to becoming something altogether new — a medium called audio.

And we have given that name to the chapter of this report on that sector.

To a greater degree than some other media, radio is unusually well suited to the digital transition. Voice and music are mobile and move easily among new platforms. And audio has done better as a medium of holding its audience than some other sectors.

Traditional AM/FM is still the dominant way people listen, although its hold has been slipping.

More and more, listeners are tuning in not only from their homes and cars, but also from desktop computers. Some skip tuning in altogether and download audio podcasts for later listening. An increasingly large number are also tuning to radio broadcast via satellites, which has enjoyed rapid growth although its two pioneers merged in 2008 to form a single company. The move is toward listening to what you want, when you want it.

Some technologies are not gaining much audience. HD radio continues to struggle, and the number of stations converting to HD has leveled off.

Internet-only radio, such as Pandora, while popular, faces major problems from proposed changes in copyright rules that could force some operators to shut down. Despite industry backing, there seems little traction, too, for broadcasting traditional radio to cellphones.

The economics, so bleak for some legacy media, appear less dire for audio. The better word might be uncertain.

As ad budgets dwindle in the recession, the ability of traditional radio to make money has been hindered but not devastated. And stations have been able to gain advertising online to help make up the difference. Podcasting also continues to grow, carrying its own advertising.

The recession has further dimmed the prospects for people buying expensive HD radio receivers. And even the big satellite merger has not seemed to sort out whether satellite radio, which is largely dependent on subscriptions, will
finally move into the black.

How news will fare amid the changes remains to be seen. The number of people who cite radio as a chief source of news has slowly diminished over the years, although the popularity of talk radio remains high.

Audio’s future, unlike print or television’s, seems less a crisis and more an intriguing fragmentation, but it does share one thing with its legacy siblings. As audio adapts to consumers demanding more personally tailored media, the sector still largely has to sort out how to generate revenue in the world of free content on the Internet.

**Content Analysis**

**Radio Content**

*By the Project for Excellence in Journalism*

The presidential election provided ready fodder for the nation’s talk show hosts, who made full use of the opportunity—to the exclusion of many other topics.

The headline newscasts of ABC and CBS, however, took the opposite approach. The amount of the newshole that they devoted in 2008 to the election was less than that of the talk show hosts and the media in general. Economic and business news loomed larger for the network headline services.

National Public Radio’s political coverage was a little closer to the average of the media at large in terms of newshole. NPR listeners heard less about the economy and business, crime, health and disasters, than they did from the radio headline services. But the public radio outlet provided almost twice as much international coverage as the media over all.

**Talk Radio Hosts’ Favorite Topics: The Election (and Themselves)**

In a heated and historic election year, the campaigns and politics accounted for 60% of the radio talk newshole in 2008.

Nothing else came close. But the No. 2 subject said something fundamental about the talk business. It wasn’t an economy in meltdown or foreign events, with U.S. troops in Iraq and Afghanistan. No, the talkers’ second-favorite subject (for the second year in a row) often involved invoking the first person pronoun. Conversations about the media, much of which focused on the hosts themselves, accounted for almost one-tenth of the talk newshole in the year.

In a medium that is very much about the person behind the microphone connecting with listeners, self-referential comments often come with the territory for conservative talkers Rush Limbaugh, Sean Hannity and Michael Savage and their liberal counterparts Ed Schultz and Randi Rhodes. And no talk host has used the microphone to market himself as successfully as Limbaugh, who signed a new contract last year that reportedly will pay him $400 million over eight years.

Limbaugh generates a good deal of mainstream media attention—he was profiled in the New York Times Sunday magazine in July—and that often becomes a topic on his program. On March 10, for example, he spent time discussing
media reaction to controversial and somewhat off-color comments he made about a possible Hillary Clinton-Barack Obama ticket. After counting up various media references to him, Limbaugh said, “That’s a dilemma for somebody who doesn’t want to make the show about themselves… I find it fascinating how I am continually misunderstood” in the mainstream press.

But Limbaugh has no monopoly on making himself a subject of his program. On his October 20 show, Schultz used some airtime to discuss his decision to walk off the Fox News Channel’s morning show when he felt he couldn’t get a word in edgewise.

“What other lefty has the [vulgar term] to walk out on Fox News in the middle of an interview?” he asked. “I’m tired of being interrupted on Fox… Americans don’t think they’re fair and balanced.”

When you add up the airtime devoted to politics and the media, those two subjects consumed nearly three-quarters of all the talk radio programming studied by PEJ last year. And in a year in which the over all media agenda was narrow, no platform was as restricted and constricted as talk radio.

The 60% of the talk radio newshole filled by the election and politics compared with 34% of the over all newshole among all media and even exceeded the 56% of cable news airtime devoted to the subject. (With its debate-oriented prime-time lineup heavily reliant on commentary and punditry, cable news is in many ways similar to talk radio.) Conversely, coverage of business and economics—which accounted for 15% of the over all media coverage in 2008—filled only 8% of the talk radio airtime. Coverage of overseas events, both those directly involving the U.S. and those that did not, fell across the board last year. But while they still represented 17% of the over all media newshole, that number was only 4% in talk radio.

**Top Broad Story Topics: Talk Radio vs. Media Over All**

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>Talk Radio</th>
<th>Media Over All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elections/Politics</td>
<td>60%</td>
<td>34%</td>
</tr>
<tr>
<td>Media</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Economics</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Government</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Crime</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>U.S. Foreign Affairs</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Environment</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Additional Domestic Affairs</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Race/Gender/Gay Issues</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Business</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
Breaking down the coverage more specifically provides an even sharper sense of the talk hosts’ decision to largely take a pass on events beyond our borders. In the overall media roster of major stories last year, the Iraq war accounted for 4% of the coverage; it was only 1% in talk radio. And such international sagas such as the war in Afghanistan and unrest in Pakistan, which were among the top 10 stories overall in the media, were nowhere to be found on talk radio’s roster of top subjects.

And with the campaign monopolizing the airwaves, the coverage of a number of domestic topics—from crime to lifestyle—decreased from 2007 to 2008. Nowhere was this trend more obvious than with the subject of immigration. In 2007—as conservative talk hosts like Limbaugh and Hannity waged an on-air crusade to defeat a major immigration bill—that topic accounted for 4% of the overall talk airtime. In 2008, it plunged to less than 1%.

**Top Stories: Liberal Talk Radio vs. Conservative Talk Radio**

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>Liberal Talk Radio</th>
<th>Conservative Talk Radio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election*</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>U.S. Economy †</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Domestic Terrorism</td>
<td>2</td>
<td>Blagojevich Scandal</td>
</tr>
<tr>
<td>Blagojevich Scandal</td>
<td>1</td>
<td>Global Warming</td>
</tr>
<tr>
<td>Energy</td>
<td>1</td>
<td>Energy</td>
</tr>
<tr>
<td>Iraq War ‡</td>
<td>1</td>
<td>Georgia/Russia Conflict</td>
</tr>
<tr>
<td>Spitzer Scandal</td>
<td>1</td>
<td>Iraq War ‡</td>
</tr>
<tr>
<td>New Congress</td>
<td>1</td>
<td>Spitzer Scandal</td>
</tr>
<tr>
<td>Scott McClellan’s Book</td>
<td>1</td>
<td>Israel/Palestinian Conflict</td>
</tr>
<tr>
<td>Iran</td>
<td>1</td>
<td>Same-Sex Marriage</td>
</tr>
</tbody>
</table>

* Includes stories about the campaign, results, and the transition
† Includes stories about the financial crisis, economic issues, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae
‡ Includes stories about Iraq policy debate, events in Iraq, and the impact of the war in the U.S.

**How the Hosts’ Ideology Affects Their Choice of Topics**

The 2007 immigration debate, which was driven by right-leaning talkers and given short shrift by liberals, illustrated the ideological divide when it comes to determining which subjects get airtime. In 2008, that gap was not particularly evident in the quantity of coverage of stories such as the election, Iraq and the economy. But other events reflected a clear philosophical gap when it came to deciding which stories were worthy of discussion.

One of those subjects was global warming. In 2008, it was a top-five story for conservative talkers with hosts such as Limbaugh and Savage often arguing that the media and liberals were overplaying the threat to the environment. On
liberal talk radio, that subject did not even appear among the year’s 15 hottest topics. At the same time, U.S. efforts to combat terror at home was a top-five story for liberal talkers, with Rhodes in particular attacking the Bush administration on things like torture and eavesdropping. But that subject was nowhere to be found among the top stories on the conservative side of the dial.

Another obvious example was the reaction to former White House press secretary Scott McClellan’s book. As the title suggests, “What Happened: Inside the Bush White House and Washington’s Culture of Deception” included a tough critique of McClellan’s former boss, President George W. Bush. McClellan was not treated as a hero by either side; Rhodes took him to task for his role as Bush’s press secretary and Savage saw him largely as a turncoat. But the liberal hosts were considerably more interested in the story, giving it about four times as much coverage as conservatives.

**Talkers Pick Their Targets in the Presidential Race**

The 2008 presidential campaign, with its spirited primary fights on both sides, created some interesting challenges and opportunities for the ideological talk hosts as they picked their targets and favorites from a large group of competitors.

In the early part of the year, during the heaviest primary period, there were two clear talk radio villains—John McCain and Hillary Clinton.

A PEJ study of the character-oriented narratives about the candidates that appeared in the media from January 1 through March 9 found that less than one-fifth of all the assertions about McCain on talk radio were positive compared with fourth-fifths that were negative.

Hillary Clinton didn’t fare well either. Nearly half of all the assertions about her on talk radio either reinforced the idea that she lacked core beliefs (30%) or that she was personally unlikable (16%).

Some of these attacks were predictably partisan, but some came from sources that might have been considered friendly. During the primary elections, top conservative talkers like Rush Limbaugh and Sean Hannity openly favored GOP hopefuls such as Fred Thompson and Mitt Romney over Mike Huckabee and McCain, whom the hosts criticized for being too moderate and well liked by the mainstream media. From January 1 to March 9, a full 73% of the assertions about McCain from the three right-tilting hosts in our sample supported the idea that the Arizona senator was not a reliable conservative.

“The drive-by media is doing everything it can to disqualify the true conservatives on the Republican side,” Limbaugh told listeners in January. “What you’re being told is the only two candidates left that have any chance whatsoever are McCain and Huckabee, which is exactly what the drive-bys want. They want [a] liberal moderate nominee.” Hannity concurred, declaring, “There is clearly an effort [by the media] under way, I think, to convince us, the voters, to go for either, say John McCain or Mike Huckabee.”

The third conservative talker in the PEJ sample, the more contrarian Michael Savage, basically opted for a pox-on-all-their- houses approach. Early on, he called the candidates a “bunch of doddering old fools.” And he promoted his own potential candidacy for the presidency, declaring that he was the overwhelming favorite among the millions of voters who had responded to his Web poll.
For a while, the conservative talkers’ dislike of Hillary Clinton—which dates back to her stint as First Lady in the 1990s—seemed to turn into an alliance of convenience with Barack Obama. For the first few months of the year, they offered more positive assertions (55%) than negative ones (45%) about Obama. But the course of the campaign altered that dynamic. Once McCain had emerged as the presumptive GOP nominee and with the Democratic fight still raging on, Limbaugh began pushing something he called Operation Chaos. He urged Republicans to vote for Clinton in open primaries as a way of keeping the Democratic nomination battle from being resolved and preventing the party from unifying. And by the end of the general election season, Limbaugh and Hannity were aggressively attacking Obama’s candidacy, characterizing him as a radical and a socialist.

On the liberal side of the talk radio spectrum, the two hosts in the sample, Randi Rhodes and Ed Shultz, appeared to favor Obama over Clinton, particularly as the Democratic primary race dragged on.

As early as Feb. 25, just a few weeks after Super Tuesday and more than three months before Clinton would concede defeat, Schultz was calling for her to exit the race on the grounds of Democratic unity. "I think it is time for Senator Clinton to step out," Schultz declared. "This is damaging to the party."

The more bombastic Rhodes, no fan of the former First Lady, hammered away after Clinton’s recollection about dodging sniper fire during a 1996 trip to Bosnia was proved to be inaccurate. Rhodes called her story a "big stinkin’ lie," adding that “every single solitary airport landing I have ever had has been more traumatic than what I saw on the video in Tuzla.”

Rhodes’ distaste for Clinton ultimately led to a career-altering experience. In March, Rhodes made news by using a crude insult to describe Clinton during a stand-up comedy routine in San Francisco. Rhodes’ employer, Air America Radio, suspended her for those remarks, leading to Rhodes’ subsequent departure from the liberal talk network where she had been a marquee name. She quickly resurfaced as a syndicated talker on the Nova M radio, where she continued to be critical of Clinton’s primary campaign against Obama. (See Talk Radio for more Information)

Radio Network Headlines: Broad, Balanced and Quick

If talk radio is designed to generate debate by cherry picking and then magnifying a few hot topics (or, as was the case in 2008, basically one hot topic) from the news landscape, the CBS and ABC radio headline broadcasts do just the opposite. They are intended to provide a quick but broad digest of the wide range of daily events. And in 2008, they delivered a carefully apportioned mix of the three most significant topics — the economy, the election and foreign affairs.

The most striking aspect of the radio headline menu was the relative lack of coverage of politics and the election—16% of the newshole, which was less than half the amount devoted to that topic by the media over all. In fact, there was substantially more coverage of economics and business (25%) in these headline services, a figure considerably larger than the 15% of the newshole given over to economics and business in the media over all. (One reason for that is the faithful recitation of stock prices frequently heard on those headline wrap-ups.) Another 13% of the airtime was devoted to foreign events, moderately less than the over all media allotment of 17% of newshole to those stories.

Those three subjects accounted for slightly more than half of the headline newshole, and several other topics got reasonable amounts of coverage as well. Disasters and accidents accounted for 7% of the airtime, as did crime,
followed closely by health and medicine at 5%. All three of those subjects received more attention in the radio headlines than they did in the media over all in 2008.

Typical of the radio headlines news menu was this one from CBS on June 6, 2008, just a few days after the last primary voters had cast their ballots in the long Democratic nomination battle.

The top story was about the biggest monthly jump in unemployment figures in 22 years followed by a quick report on an off-the-beaten-path aspect of the economic crunch—roads and highways were in disrepair because of the skyrocketing costs of using oil-based asphalt. The next story was a brief recap at what the political world was buzzing about that day, a meeting between Obama and Clinton that spiked speculation about a possible vice-presidential slot for the former First Lady. Then came brief updates about storms and tornados in the Midwest and a drought that had spawned raging wildfires in North Carolina. Finally, there was a piece on efforts by anti-doping agencies to decide whether Viagra’s performance-enhancing qualities extended to bicycle races, thus necessitating a ban on the virility drug.

From the unemployment line to the medicine cabinet, the headlines offered a speedy spin around the day’s news cycle.

**Top Broad Story Topics: News Radio Headlines vs. NPR vs. Media Over All**

<table>
<thead>
<tr>
<th>Percent of Newshole</th>
<th>News Radio Headlines</th>
<th>NPR Morning Edition</th>
<th>Media over all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economics</td>
<td>19%</td>
<td>Foreign (Non-U.S.)</td>
<td>20%</td>
</tr>
<tr>
<td>Elections/Politics</td>
<td>16</td>
<td>Elections/Politics</td>
<td>19</td>
</tr>
<tr>
<td>Disaster Accidents</td>
<td>7</td>
<td>Economics</td>
<td>12</td>
</tr>
<tr>
<td>Foreign (Non-U.S.)</td>
<td>7</td>
<td>U.S. Foreign Affairs</td>
<td>9</td>
</tr>
<tr>
<td>Crime</td>
<td>7</td>
<td>Business</td>
<td>4</td>
</tr>
<tr>
<td>U.S. Foreign Affairs</td>
<td>6</td>
<td>Lifestyle</td>
<td>4</td>
</tr>
<tr>
<td>Business</td>
<td>6</td>
<td>Government</td>
<td>3</td>
</tr>
<tr>
<td>Health/Medicine</td>
<td>5</td>
<td>Disasters/Accidents</td>
<td>3</td>
</tr>
<tr>
<td>Government</td>
<td>5</td>
<td>Crime</td>
<td>3</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>3</td>
<td>Environment</td>
<td>3</td>
</tr>
</tbody>
</table>

**NPR's Morning Edition Goes Big on Global**

As part of its weekly News Coverage Index, PEJ studied about 130 hours of National Public Radio’s signature early news program, Morning Edition, in 2008. In terms of news priorities, the NPR component of radio news is far closer to the network radio headlines than the commercial talk format. But there are still some distinguishing features to the NPR
news agenda, particularly when it comes to covering the world.

As NPR's listening audience has grown by about 75% in the past decade, one of its perceived strengths has been international coverage at a time when many mainstream media organizations are shutting foreign bureaus. In 2008, the biggest component of Morning Edition coverage—30%—was devoted to news from overseas. That is nearly double the global coverage—17% of the newshole—in the media over all in 2008. And it even exceeds, slightly, the international coverage in the online media sector (27%), which has consistently devoted more attention to the rest of the world than the other four major platforms—cable news, network news, newspapers and the over all radio sector.

A further examination of that overseas coverage shows a significant tilt toward stories that did not directly involve the United States. While, coverage of non-U.S. stories accounted for 10% of the newshole in 2008 in the media over all, they accounted for 20% on Morning Edition. That 20% figure was nearly triple the attention (7%) the radio headline reports devoted to non-U.S. stories.

That international coverage ranged broadly, often going beneath the major narratives and top headlines. There was an offshoot-of-the-economic-meltdown narrative that looked at the impact of the financial crisis on Senegal, in Africa. There was a piece on rising tensions between Sunni and Shiite Muslims in the Mideast after a conference of Islamic scholars in Mecca. And a somewhat prophetic account that ran before Russia rolled its tanks into Georgia examining Russian President Dmitri Medvedev’s efforts to rebuild Russia’s degraded military forces.

At the same time, Morning Edition’s coverage of some of the more prominent and pressing international stories—such as the Iraq war (6% of the airtime studied), Pakistan (2%), China (2%) and Afghanistan (2%)—roughly doubled the amount of attention that the over all media paid to them.
NPR also featured slightly more coverage of the campaign and politics (19%) than the commercial radio news headlines (16%), but that total was still far below the political coverage (34%) in the media over all in 2008. In some other areas, NPR offered less coverage than the network headline reports, such as business and economics (16% compared with 25%), crime (3% compared with 7%), health and medicine (2% compared with 5%) and disasters and accidents (3% compared with 7%). In terms of quantity of coverage in those subject areas, NPR was not much different from the media over all in 2008. And the discrepancies here are more of a reflection of the headline reports' niche of delivering a quick account of the day's news.

**Radio Differences in Format**

Given its journalistic resources, Morning Edition had the largest over all component of interviews and pre-recorded story packages in the radio sector. The NPR program and commercial network headline reports were almost identical when it came to the percentage of airtime devoted to prepared story packages (59% to 57%). But 17% of the time on Morning Edition was filled by interviews compared with less than 1% on the headlines.

What the headlines lacked in interviews, however, they made up in staff voices on the air. About 41% of the headlines' newshole was filled either by live staff reports or anchor reads, compared with 24% the NPR show.
<table>
<thead>
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<tbody>
<tr>
<td>Packaged Story</td>
<td>59%</td>
<td>57%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Interview</td>
<td>17</td>
<td>&lt;1</td>
<td>11</td>
</tr>
<tr>
<td>Staff Live</td>
<td>15</td>
<td>24</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Anchor Read (Voice-over/Tell Story)</td>
<td>9</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>Live Event</td>
<td>1</td>
<td>2</td>
<td>&lt;1</td>
</tr>
<tr>
<td>Talk Radio with Audio Clips</td>
<td>N/A</td>
<td>N/A</td>
<td>49</td>
</tr>
<tr>
<td>Talk Radio Without Audio Clips</td>
<td>N/A</td>
<td>N/A</td>
<td>39</td>
</tr>
<tr>
<td>Unedited Audio/Video</td>
<td>0</td>
<td>0</td>
<td>&lt;1</td>
</tr>
</tbody>
</table>

For obvious reasons, the host-driven, commercial talk radio format is markedly different than either the headlines or Morning Edition and virtually none of the time is taken up by reported packages. There is, however, a significant difference in the percentage of airtime devoted to interviews depending on who is hosting the show. And again, it breaks down by ideology. The liberal talkers spent more than twice as much time doing interviews as their conservative counterparts, 17% to 7%.

A look at the individual hosts, at least in the part of the programs examined by PEJ, indicates that two of the talkers on different sides of the spectrum—the liberal Schultz and conservative Savage—do by far the most on-air chatting, with 24% of Schultz’s time take up with interviews compared with 17% for Savage. The two talkers who do, by far, the fewest two-way conversations in the time examined were Hannity (4%) and Limbaugh (3%). That reinforces the sense that Limbaugh is the star and centerpiece of his program. The liberal Rhodes was somewhere in the middle at 9%.

**Audience**

Audience
By the Project for Excellence in Journalism

**Introduction**

Traditional radio, although falling behind newer forms of audio, remained a highly popular source of news for Americans in 2008.
One reason for that popularity is its ubiquity. Radios are found in almost every home, car and workplace.

But traditional radio is also increasingly sharing time with other forms of listening. Among the emerging forms of audio, satellite saw the most impressive growth again in 2008, although there are still signs of consumer resistance to the idea of paying for something that has always been free. Far more people say they don’t intend to subscribe to satellite radio than say they will.

A technology having an even harder time gaining a foothold in the market is HD radio, which broadcasts on digital rather than analog signals and offers several advantages, including clearer sound, finally drew some interest from carmakers but has stayed below the radar of consumers.

The Internet offers yet more options for listening. Podcasting continued to gain popularity, although not as the mobile medium many thought it would be.

And cellphone-based radio, in which AM/FM receivers in cellphones pick up traditional radio signals, grew as well but was hampered by the advent of high-speed wireless broadband networks. People on such networks can connect to the Internet and stream their favorite radio station online with their smartphones and cellphones instead of picking up AM/FM signals.

Broadcast Radio

Traditional, or “terrestrial,” radio remains the most popular form of listening, but it is declining, while usage of online, satellite and HD radio is gaining.

Arbitron, the radio rating service, reported in fall 2008 that radio reached 235 million people over the course of a week, up slightly from 232 million in the fall of 2007.

More precise comparison with past years, such as the number of people 12 and older listening in each quarter, was made more difficult. Arbitron began a transition from relying on diaries kept by listeners to portable people meters to gather the data. Initial data from the meters have created considerable controversy and have prompted the A.C. Nielsen Company to re-enter the radio ratings business in some markets in 2009. (see below for more information)

One thing that has remained fairly stable is where people listen to traditional radio. It is widely dispersed. Over all, 39% of radio listening is done in homes, followed by 35% in cars and 23% at work.

News/Talk Listening

Among all the formats available on the radio, news/talk remains a major one, although, as many analysts point out, it is increasingly more talk and less news.

The term encompasses news, talk shows and other forms of information programming aside from sports. It is the second-most-listened to format on radio, behind country music, with 48 million listeners and 1,533 stations, according to Arbitron.
News/talk is also either the No. 1 or No. 2 format in every region except one, the south-central part of the U.S. (Alabama, Mississippi, Tennessee and Kentucky). 4

Listeners of news/talk radio tend to be older than those of other formats, plus more educated and affluent. More than half (57%) are over the age of 55 and three-quarters (77%) are over 45. Nearly half (45%) are college graduates and more than 4 in 10 (41%) have a household income of $75,000 or more.

Age may be a factor of the differences between AM and FM listeners. Traditionally, most news/talk has aired on the AM band, where listeners tend to be older. And Jim Farley, vice president of news and programming at WTOP radio in Washington, D.C., told PEJ that some broadcasters have seen their audiences get younger when they moved their signals to FM but otherwise kept the programming unchanged. 5 “I hypothesize that it is AM radio, not news or news/talk, that skews older,” he said. “It’s the band they listen on, not the subject matter.”

Slightly more than half of Americans report listening to news/talk at home. The next highest location is the car, 34.4%, followed by work, 12.8%.

After declining earlier in the decade, there is some sign that the listenership to news and talk may have stabilized.

Arbitron data find that the amount of time people spent listening to news/talk remained the same as two years earlier: an estimated 9 hours and 15 minutes per week. 6
Another survey found similar stability in recent years. In 2008, just over a third (35%) of Americans said they listened to news on the radio “yesterday,” according to a survey by the Pew Research Center for the People & the Press, substantially unchanged from 36% in 2006.

Those numbers were down more strikingly from 43% in 2000, the early days of the Internet, and also meant that radio had fallen behind cable news, local television and the Internet as a regular news destination.

If the numbers continue to be stable, however, audio may have begun to sort out its place in the new landscape.
Design Your Own Chart
No figures available for 2000

HD Radio

Another form of listening, HD radio, failed to expand in 2008, although its backers saw signs of hope.

Like its better known counterpart, HD television, HD radio promises better fidelity and more choices.

But, unlike television, the HD for radio does not stand for “high definition.” It is a brand name for a technology provided by iBiquity Digital. Unlike television, radio broadcasters have not been required to convert their analog signals to digital ones. Many stations have decided the costs are too high for the potential benefits.

The appeal of HD is that it is a digital signal with several advantages over traditional analog AM and FM. HD radio signals offer a clearer sound that is less prone to interference and static than analog signals.

HD stations also have the ability to “multicast” programs. That means they can broadcast more than one program
simultaneously, often referred to as HD1, HD2, etc. This provides stations with the ability to hone their content more specifically to niche markets.

For example, 96.9 WTKK-FM in Boston has one HD main channel that is mostly devoted to talk and a second HD2 channel on which it broadcasts only Irish music.

For consumers, HD radio’s digital signal also offers an interactive element with potential applications. For example, listeners can, with the push of a button, “tag” a song they like. Later, they can dock their iPod with the HD radio and buy the song. 7

Real-time traffic updates and mapping may soon be available, a technology that is in development by iBiquity.

The drawback to HD radio is that it requires consumers to buy a new receiver to get the HD signal, and sales of the devices have been slow. As of July 2008 an estimated 500,000 HD radios had been bought in the U.S. since their debut in 2002. 8

With no requirement to convert to digital, and with only modest sales of receivers, fewer and fewer stations are making the switch each year. Just 185 stations switched to HD in 2008. This is down from 394 in 2007 and 522 in 2006. In total, 1,828 radio stations were broadcasting in digital in 2008. Of the stations broadcasting in HD, 844, or about 46%, were taking advantage of HD’s multicast capabilities. 9

### Number of Stations Converting to HD in 2008

![Number of Stations Converting to HD in 2008](chart.png)

**Source:** BIA Financial Network database, PEJ Research

*PEJ has updated figures from 2003 forward to reflect changes in the BIA system regarding what year stations went digital in the past.*
The sharp drop-off in HD conversions could be the result of radio’s difficult economics and the cost of the conversion. According to iBiquity Digital, the transition to HD transmission costs stations on average $50,000 for AM station and $100,000 for FM stations.

HD has also failed to gain much excitement from consumers. Most people don’t even know it exists. Awareness of HD radio leveled off in 2008 to 24% of people 12 and older, compared with 26% in 2007, according to Arbitron. 10

Of those who are aware of HD radio, only 6% said they were “very interested” in it and 23% said they were “somewhat interested.” Most, 41%, said they were not at all interested in HD radio. 11

Part of the lack of interest may have to do with the cost of HD units. New HD units cost $100 to $400.

Dave Van Dyke of Bridge Ratings, a media research firm, said, “The economy is now affecting the growth of it. Most people just don’t see the need. The industry has to show people why they need it.” He says there is low interest in HD radio and tough economic times aren’t helping. 12

An important hurdle for HD radio is that most cars come standard with AM/FM radios instead of ones that receive HD.

The industry is working to have HD radios come as standard equipment in cars and has made some progress. In October 2008 Audi of America announced that it would make HD radios standard in all of its cars starting in 2011. 13 According to Advertising Age, 14 other auto companies are on board to do the same.

How much news is there on HD radio?

Of the total 1,828 HD stations on air currently, news/talk is the most popular format for these stations with 376 news/talk stations. The second more popular format is adult contemporary (a broad category of music) with 259. 14
Satellite Radio

When it came to another listening technology, satellite, 2008 was a year of some new answers. Previously, the heated competition for subscribers between the two satellite rivals, Sirius and XM, meant big promotional budgets that helped the emerging technology gain recognition among consumers. A major question going forward is whether the economies of scale brought on by the merger will allow the financially struggling company to finally turn a profit.

The company that resulted from the merger, Sirius XM, expected to end 2008 with 18.9 million subscribers. That would amount to an increase of 1.6 million people, or 9.2%, from 2007 when the two companies had 17.3 million subscribers between them. Sirius had 8.3 million and XM had 9 million.
Some other indicators, however, hint at trouble. Consumer awareness of satellite radio, for example, failed to grow in 2008, despite the media attention the merger proposal attracted and promotional efforts by the companies. Only 59% of survey respondents in early 2008 said they had heard of XM and 60% said they had heard of Sirius. This is down slightly from 2007 when 64% had heard of XM and 60% had heard of Sirius.

Moreover, the number of people who said they intended to subscribe also showed no growth. Only 14% of people surveyed said they were somewhat likely to subscribe to satellite radio in the next year and 2% said they were very likely, this is down from 15% and 3% in 2007. This could be a sign of a maturing market: as more people sign up there are fewer consumers left to convert to the medium. But, for satellite, the subscriber base is still relatively small so it would be an earlier maturation than those in the industry would prefer.

This decrease in awareness and in the willingness of people to pay for satellite radio may be a temporary blip related to a suspension of promotions by both companies and the declining economy. But if it continues, it could indicate a resistance among consumers to buy subscriptions when terrestrial and even HD radio (once receivers are purchased) are free.
The overwhelming majority of people surveyed by Arbitron, 84%, said they were “not at all likely” to subscribe to satellite radio in the next year.

Satellite radio is an option in most new cars and packages for the service range from $6.99 to $16.99 per month. Satellite radio also offers in-home options, portable satellite radios that are the size of MP3 players, and dock-and-play radios that can be heard in a car and then taken out and used in the home as well. These options range from $40 to $300 per unit.

One bright spot: satellite radio listeners tend to have high household incomes. An estimated 23% have incomes greater than $100,000 a year, which should appeal to advertisers in search of consumers with disposable income. 18

Internet Radio

Internet radio, continued to represent a slowly moving growth area. The number of people who listen to the radio on the Internet crept up slightly in 2008 but remains a fraction of terrestrial radio.

Some in the industry think Internet radio holds great promise for the business of terrestrial radio. Many terrestrial stations now simulcast their programs on the Internet, opening up whole new markets for listeners and advertisers with little additional cost.

But the Internet also means new competition for terrestrial stations from those on the Internet that have no corresponding terrestrial broadcasts. The Internet-only stations tend to cater to very specific niche interests — jazz and classical music, for example.

Whether tied to a broadcast station or not, online radio has developed an audience. Nearly a quarter of Americans over the age of 18 (24%) in April 2008 told the Pew Research Center for the People & the Press that they had listened to newscasts online. They could have been listening to a multitude of things, including a live stream of a terrestrial program, a downloaded version of something previously aired on terrestrial radio, an audio download from a cable website or even an online-only radio site.

Moreover, there are signs that more people are making online listening a habit. According to the survey, 13% of people reported in 2008 that they had listened to Internet radio in the last week, compared to 11% in 2007. This slow increase in online listening corresponds to the simultaneous loss of listeners in broadcast radio. 19 (The survey did not distinguish between terrestrial simulcast and Internet-only radio programs.)

Who is listening to radio online? First, high-tech people who work with computers tend to be big users. Also, men are more likely to listen to Internet radio than women, 52% to 48%. The listeners tend to be older than the population at large, with the largest demographic slice being 35-to-44-year-olds with full-time jobs. 20

Podcasting

Podcasting — downloading audio and video snippets and programs for later listening and watching — enjoyed a fast-growing but still small audience in 2008.
According to survey data from Pew Internet and American Life Project, 19% of people reported they had downloaded a podcast at some point in 2008; this is up markedly from 12% in 2006. On the downside, though, frequency is low: only 17% said they downloaded a podcast on typical day in 2008.

For a broadcaster, the appeal is obvious: no longer is its audience limited to the people within earshot of a radio or television while a broadcast is in process. Now people can download shows or features from a computer to listen to there or to load onto an MP3 for later playback.

For now, more people are choosing to listen on their stationary computer rather than on a mobile device like an iPod, for which podcasting is named. In one survey by Arbitron, 69% of people who downloaded podcasts said they listened to them on their computers, while less than half as many, 28%, said loaded them onto mobile devices.

What does it mean for news? Not much, so far.

Of the 48,903 podcasts that are tracked by podcastalley.com as of November 2008, only 1,023 are devoted to news and politics. Of the top 10 most listened-to podcasts, only 3 are categorized as news and politics.

The largest number of podcasts are categorized as general and do not have a specific focus. The largest specific category is music with 8,038 podcasts, followed by technology with 4,254.

### Top Podcast Topics, December 2008

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Podcasts</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>14,908</td>
</tr>
<tr>
<td>News &amp; Politics</td>
<td>16,141</td>
</tr>
<tr>
<td>Music</td>
<td>8,038</td>
</tr>
<tr>
<td>Technology</td>
<td>4,254</td>
</tr>
<tr>
<td>Comedy</td>
<td>3,361</td>
</tr>
<tr>
<td>Video Podcasts</td>
<td>1,165</td>
</tr>
<tr>
<td>Other Categories</td>
<td>4,254</td>
</tr>
</tbody>
</table>

Source: www.podcastalley.com
Not surprisingly, most of the people downloading podcasts are young. Half are under 35. This tracks with MP3 ownership: three-quarters of people aged 12 to 17 owned an MP3 player at the beginning of 2008, up from 54 percent just a year earlier. Among all people 12 and older, 37% owned an MP3 player, up from 30% the year before.

The people who use podcasts are relatively affluent, something that should appeal to advertisers, which pay to have a message run before or after the content. Specifically, 22% of people who download podcasts earn more than $100,000 a year, while 68% earn more than $50,000 per year.

This has not yet cut into the market for broadcast radio, according to Arbitron. Only 10% of people surveyed said they spent less time with broadcast radio because of their MP3 player, while 21% said their MP3 player had no effect on their broadcast radio listening.

However, MP3 owners who say the device has cut into their radio listening tend to be the young ones, a red flag for radio marketers. Over all, music still drives MP3 usage, not podcasts.

Cellphone Radio

As with so many of the new technologies over the past few years, the use of cellphones and their more advanced cousins, smartphones, also continued to grow in 2008.

This is encouraging news for those who think cellphone radio is the next big thing for broadcasters. That is because smartphones, which connect to the Internet, can be used to listen to the radio.

According to the Pew Research Center for the People & the Press, 83% of people aged 18 and above owned a standard cellphone in 2008, and 15% said they owned an iPhone, Blackberry or other smartphone. This translates to 189 million people over the age of 18 who own cellphones, according a 2007 Census Bureau estimate. And as most people carry their phones with them at all times, the radio industry sees this as a huge market for radio.

However, as of the end of 2008, very few of those phones were equipped to pick up radio broadcasts, something the radio industry is trying to change by encouraging cellphone manufacturers to include the capability in the devices.

In a sign that the radio industry understands the potential, one broadcaster, Regent Communications, released a free application in 2008 for the iPhone and iPod that allows users to connect to all of the company's AM and FM online streams using their cellphones.

The Regent effort, called Radiolicious, also allows Regent stations to sell advertising aimed at mobile listeners, in addition to the ads already playing on the station.

Another company sought to bring talk radio and other audio content to users of ordinary cellphones. That company,
Foneshow, based in Portland, Maine, sends registered users phone numbers as text messages that they can use to listen in on programs they have previously selected.

The service is tailored mostly to short-form audio, much like podcasts, and many podcasts have signed up for Foneshow and a cellphone owner can sign up for the service from the Foneshow site or from the podcast’s site itself.

In April 2008, Foneshow started a service tailored to reporters and news organizations with a platform to deliver breaking news. The service allows reporters in the field to file audio reports with their cellphones that are then sent directly to their editors, who in turn can post them for public listening. Users will also be able to sign up for news alerts that they will receive via text messages as breaking news is happening. Foneshow is supported by ads that listeners hear before or after the program.

In the landscape of radio, one form of news has carved out a particular brand and audience for itself — public radio. The players here include National Public Radio, American Public Media, and Public Radio International, among other public radio groups.

Of these, the largest is NPR. More than one in ten Americans say they routinely get most of their news from the nation’s chief noncommercial news source, National Public Radio.

According to the Pew Research Center’s 2008 media consumption survey, 13% of Americans said they regularly got most of their news from NPR.

NPR listeners tend to be highly educated and older than listeners of commercial radio: 54% are college graduates and 42% are over the age of 50. Most, 58%, are men.

NPR listeners are also well informed. They performed well on a series of current events questions posed by the Pew survey, second only to those who read The New Yorker and Atlantic magazines.

NPR’s believability is among the highest of the news outlets. Among those surveyed, 27% said they believed all or most of what NPR broadcast. That ranked it higher than the three broadcast television networks as well as MSNBC, Fox News and “The News Hour With Jim Lehrer” On PBS. It ranked lower, however, than CNN, “60 Minutes” on CBS and the local television news.

**Portable People Meter**

One of the major issues in radio is the advent of the new technology for measuring audiences. As it did when introduced for television, the switch from using people filling out diaries to machines automatically measuring what people listen to has come with controversy.

In 2008, criticism of the so-called portable people meter increased as its use grew.

The meters, issued by Arbitron, are small, electronic devices that detect inaudible codes hidden in broadcasts. When worn by a participant, the devices track listenership very specifically. For example, the meters are able to determine whenever the wearer gets close enough to a radio broadcast to listen. The devices track what program is on and how long the listener is within its range.
Arbitron started using the devices in 2007. The company says it expects all top-50 radio markets to turn audience measurement over to the portable people meter by the end of 2010. In the meantime, the company blended data from meters and diaries to construct a national snapshot. Work on the 2008 report was not completed by the end of the year.

Arbitron asserts that the devices are a vast improvement over the old system of self-reporting with paper diaries. Major radio ownership groups agreed and opted to use the system.

Critics say the meters undercount minority groups or rely on a sample that is too small to provide an accurate snapshot of listening habits.

Complaints about the sample size, including from radio goliath Clear Channel, prompted Arbitron to increase its sample size.

Concerns about minority representation, however, persist. Initial meter ratings showed a sharp drop in listenership for certain minority stations.

The issue has been taken up by some state attorneys general. New York’s Andrew Cuomo filed a lawsuit in 2008 against Arbitron in which he alleged that the Arbitron meter discriminated against minorities by undercounting them. The suit also charged Arbitron with false advertising of the validity of the meter’s measurements and not disclosing flaws in its methodology.

Arbitron countersued, arguing that New York’s efforts to prevent the release of meter data violated its First Amendment rights.

In October 2008, New York expanded the suit to include securities fraud. The state alleged that Arbitron executives sold stock in the company before an announcement that the portable people meter would be delayed, which caused the stock to fall sharply.

New Jersey also sued Arbitron in the summer of 2008.

The company also faces a class-action lawsuit on behalf of some of its investors who argue that it falsely advertised the capabilities of its people meter.

In January 2009, Arbitron settled the lawsuit with New York and New Jersey. In the agreement Arbitron vowed to improve its sample and minority representation and will pay New York $260,000 and New Jersey $130,000 to resolve the suit. Arbitron will also pay a trade group that represented minority radio stations $100,000 and pay for an ad campaign supporting minority radio.

**Nielsen Enters the Fray**

In a sign that the controversy may have attracted competition for Arbitron’s long-time dominance in radio ratings, Nielsen announced in November 2008 that it will begin to track radio ratings in the U.S.
Nielsen, known best for its television ratings, already tracks radio ratings in other countries. But Nielsen gave up tracking radio audiences in the U.S. in 1964 and Arbitron has been the industry leader and the only company offering comprehensive U.S. radio ratings.

There were signs that Nielsen may return as a serious competitor to Arbitron. Cumulus Media and Clear Channel agreed to start using Nielsen ratings for some markets. 34

Nielsen’s radio ratings will be compiled through self-reporting by listeners, similar to how it measures television viewing. Arbitron said the people meters will be more accurate.

NPR (Updated March 24th, 2009)

In the landscape of radio, one form of news has carved out a particular brand and audience for itself — public radio. The players here include National Public Radio, American Public Media, and Public Radio International, among other public radio groups.

Of these, the largest is NPR. More than one in ten Americans say they routinely get most of their news from it, the nation’s chief noncommercial news source.

NPR said the weekly audience for its news programs hit a record average of 20.9 million in 2008, a 9% increase from 2007. NPR had 271 member stations and was heard on 866 public radio stations nationwide as of March, 2009.

NPR’s website, NPR.org, attracted an average of 8 million unique visitors each month, according to the organization, in early 2009. 35

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Footnotes


3. PEJ conversations with Dale Willman executive editor of NPR Field notes; Adam Clayton Powell III, senior fellow at the University of Southern California, and Chris Sterling, professor of media and public affairs at George Washington University


5. PEJ interview


9. BIA Financial Network and PEJ research


14. BIA Financial Network and PEJ research


16. PEJ, State of the News Media 2008


23. The technology of the Internet makes tracking podcasts very difficult. Several companies try, and we rely on podcastalley.com, the largest of them. The figures may not be comprehensive but still offer a glimpse of trends.

24. www.podcastalley.com

26. U.S. Census Bureau population estimates, July 1, 2007


30. The suit alleged that certain minorities, such as Hispanics and young blacks, were under-represented in the sample. The suit also asserted that non-English speakers and cellphone-only households were being missed because participants are recruited by Arbitron through phone solicitations.


35. Data provided to PEJ from NPR.

Economics

By the Project for Excellence in Journalism

Introduction

The economics of radio is changing rapidly and it remains to be seen which model or combination of models will prevail given the rising importance of the Web and declining pool of advertising dollars in traditional broadcast radio.

Revenues for satellite, Internet and mobile radio all grew in 2007, the latest year for which there are final data. The evidence suggests that growth slowed in 2008 and that terrestrial radio could even have declined when the final numbers are tallied.

To be sure, 90% of radio revenue still flows to traditional, or terrestrial, radio. Within that 90%, however, the composition has changed. The share of revenue from on-air advertising is shrinking while the share of money made from event sponsorship, billboards and Internet advertising is growing.

But that growth is not enough to keep pace with the decline from traditional advertising sources. And broadcasters find themselves competing against a whole new generation of low-cost operators that have popped up online.

Looking across all audio media combined – broadcast, satellite and digital – revenues were flat in 2007.

The market research firm of Veronis Suhler Stevenson predicted further declines for terrestrial radio through 2012, with satellite and digital radio having only slight growth over the next several years of 0.2% annually.

At the same time, the radio industry is nervously awaiting a decision in negotiations over how music royalties will be paid, something that Internet radio broadcasters say will have a big impact on the future.

AM/FM

According to the Radio Advertising Bureau, in the first three quarters of 2008, traditional radio revenue was down 7% compared to the first three quarters of 2007. This compares to an overall drop of 2% in 2007 compared to 2006.

Both local and national advertising fell. National ads are broadcast on stations across the country, usually by large companies, such as auto makers or food producers, while local ads are placed on fewer stations limited to small geographic areas. In the first three quarters of 2008, the money derived from national ads dropped 11%, while that made from local ads fell 8%.

Those drops were mitigated by gains in revenue from other sources associated with radio stations, particularly Internet, billboards, concerts and other off-air sources. That income grew by 9% in the second quarter of 2008 from the same period a year before. 1 But their growth was not enough to make up for the on-air ad declines.
Veronis Suhler Stevenson predicts that revenue from digital platforms for these stations (online and mobile) will continue to grow. In 2007, revenue from digital platforms for terrestrial stations was $243 million. If the predicted growth continues, it will be $1.5 billion by 2012, a compound annual growth rate of 43.1% over five years. What is not clear is when or if these trend lines will eventually lead to net gains for the stations.

**Traditional Radio on the Internet**

One growth area for traditional radio stations is online. Internet radio, where stations can stream their programs online, remains a small part of the overall economics of radio but is growing quickly. It may also represent the best hope for terrestrial radio to stem its receding tide of revenue.

For the owners of terrestrial radio stations, adding an Internet operation is relatively inexpensive. The Web sites typically stream real-time audio feeds and offer additional features such as podcasts. Also, the Internet allows radio stations to compete more directly with local news outlets. As stations add text, video and other formats to their websites, the lines between their offerings and that of the website of a local television station or local newspaper begin to blur.
If a program provides podcasts of its show, it could sell ads before, after or during the podcast.

The $243 million in advertising that Veronis Suhler Stevenson projects that Internet radio generated in 2008 was a gain of 55% over the year before and came on top of an estimated gain of 73% the previous year. Despite these expected gains, revenue from Internet radio is still expected to be a small part of terrestrial radio’s economic picture.

By contrast, traditional on-air revenues are projected to have a -0.5% compound annual growth rate from 2007 to 2012.

Some companies have tried to capitalize on the potential of Internet radio through economies of scale.

CBS RADIO, for instance, constructed a shared Internet platform for all its stations. The hope with this new platform is that by creating one place for listeners to get all of its stations CBS RADIO will grow audience and draw advertisers to the platform. Listeners can download a program onto their computers or iPhones, and receive any CBS station’s live audio feed. The platform also permits a user to customize the program, highlighting favorite stations or search for
specific musical genres or topical radio programs. It also suggests to the listeners other stations they may like based on their choices and allows listeners to purchase songs they like, among other features.

AOL's thousands of online-only radio stations were also made available through the service, as part of a joint venture with CBS RADIO. AOL is integrated into the popular AOL network of e-mail, instant messaging and all other Web properties of AOL.

For listeners, this means that AOL radio stations and CBS stations will be available in the same place. Moreover, they can share radio stations they like with friends over AOL instant messenger or e-mail, an obvious promotional opportunity for CBS RADIO and AOL. (See Online Ownership for more information on AOL)

Yahoo’s radio service, Launchcast, followed suit and teamed up with CBS. Launchcast's more than 150 stations will now be powered by CBS RADIO’s online platform and listeners will be able to access Yahoo radio stations in addition to AOL and CBS. Yahoo's sports and news sections of the website will feature top-rated CBS RADIO stations. Launchcast service began in February 2009.

Traditional radio stations are trying to take advantage of the opportunities of the digital age. Whether any of them have discovered the ideal model, or one that attracts widespread acceptance from consumers, remains to be seen.

Internet-Only Radio

Internet radio also presents a problem for commercial broadcasters: the most promising technologies are also open to low-cost competitors.

Thousands have emerged to combine radio with interactivity.

Some specialize in musical genres. For example, www.electricbluesradio.com offers free play lists of electric blues music. It makes money from advertising as well as a function that permits users to buy compact discs through Amazon, which rebates a portion of the proceeds to host sites. There are also audio ads, which users can skip for a monthly fee that starts at $5.95 for one-year memberships.

Others, such as Pandora.com, go even further. The Internet-only station permits users to enter their favorite songs and receive and play free playlists based on computer-generated matches. Pandora makes most of its money from advertising. It does offer a $36 premium subscription service that provides an ad-free site that has no ads when accessing Pandora from a mobile phone, but it is not a large source of revenue.

In the fall of 2008 Pandora, a private company that does not reveal is financial results, projected that it would generate revenues of $25 million for the year. 4

The Fight Over Music Royalties

The future of Pandora.com and the future of much of the emerging Internet radio industry were closely tied to a simmering controversy involving royalty rates paid for music.
Internet radio operators have long complained about a royalty system that they say has not kept up with changes in the industry.

Pandora.com, for example, maintains that it could be paying 70 percent of its revenues in royalties under a plan enacted by the Copyright Review Board.

“We’re losing money as it is,” said Pandora.com’s founder, Tim Westergren. “The moment we think that this problem in Washington is not going to get solved, we have to pull the plug because all we’re doing is wasting money.”

The structure then in place called generally for a 0.0019 of a cent royalty each time a song is played. But there are important differences in how the fee is calculated and paid by different types of radio stations.

Broadcast radio stations were permitted to buy performance licenses annually from one of the various copyright agencies, such as the American Society of Composers, Authors and Publishers, or ASCAP.

The license applies to any of the songs that that agency has in its catalogue.

Stations could also buy per-play licenses, but for all-music stations this was not a cost-effective option.

Internet or satellite stations, however, had to pay the per-song play royalties set by the copyright board.

The problem is not as severe for satellite radio, which pays a lower rate and does not play as many songs as Internet stations like Pandora.com.

But for stations that let their users pick what they listen to, it could be costly. A popular song may get played millions of times a day. Moreover, the medium was required to pay the fee twice: to the composer and the performer.

Broadcast radio executives argued that they were giving the performer free advertising and therefore should enjoy the bulk rates and other advantages. They do, however, pay the Internet fees when a song is played on their Web sites.

Pandora and other Internet radio operations lobbied Congress to have a different royalty rate set for them. The gist of the bill, the Webcasters Settlement Act of 2008, calls for negotiations to set royalty rates for webcasters.

The bill passed both houses of Congress in September 2008 and was signed by President George W. Bush on October 16, 2008. It calls for a new structure or fees to be negotiated by February 19, 2009.

**Satellite Radio**

The satellite radio landscape underwent a radical transformation in 2008 when the two pioneers, Sirius and XM, won approval to merge into Sirius XM – but then the new company reportedly flirted with a bankruptcy filing before selling a chunk of itself to a white knight investor.

The companies, both of which were individually losing millions of dollars despite gaining subscribers and revenue, said that they could have continued as separate entities but that service to subscribers would be much better and more flexible if the companies merged (See Ownership section for more information on the merger). However, in the months...
following the merger, listener complaints rose as changes were made to programming. Unlike traditional, advertising-based radio, satellite radio generates 96% of its revenue from subscriptions paid by listeners. Advertising accounts for the other 4%.

Revenue from the 17.3 million subscribers was $1.9 billion, a 33% increase from 2006. Though robust, the growth in the number of subscribers was slower than the previous year when it leapt by 47.6%. And, the increased revenue failed to result in overall profit.

The question now is whether the single satellite radio provider will save enough in expenses to generate profits. The market research firm of Veronis Suhler Stevenson forecast a 12% compound annual growth rate for 2007 to 2012. For that to be sufficient, the merged company will have to find significant economies of scale, which could lead to elimination of duplicative channels or a sharp reduction in the number of employees.

Early indications were not encouraging. In the third quarter of 2008, revenue increased to $612.8 million, but the company reported a loss of $217 million. In December 2008, Sirius XM stock fell to 14 cents a share and was in danger of being delisted from the Nasdaq stock exchange. On December 18, 2008, Sirius XM stockholders voted to approve to measures to alleviate this problem. One was to increase the number of authorized shares of the company from 4.5 billion shares to 8 billion. The second amendment allows the company at any time before December 31, 2009, to reverse-split the stock.

As of February 2009 the stock price was listed at 17 cents a share and the Nasdaq had waived its $1-a-share minimum rule until April 20, 2009. With a $175 million loan payment coming due at the end of that month, the company began to explore a bankruptcy filing.

But in rode a financial savior: Liberty Media, the parent company of Direct TV. Liberty Media agreed to loan Sirius XM $530 million. In return, Liberty Media received 12.5 million shares of Sirius XM preferred stock, convertible to about 40% of the Sirius XM stock, along with seats on the board of directors.

Whatever happens, the predicted growth rate of satellite is not as strong as what some expected from mobile, the newest and in some ways most vibrant new competitor in radio.

Mobile Radio

Mobile listening remained a small but rapidly growing area as it headed into 2009.

Over all, revenue from mobile radio grew 200%, but only to a modest $9 million, in 2007, the most recent year for which data were available. The industry, like satellite radio, depends on subscriptions for its financial base. Of the 2007 revenue, $7 million came from subscriptions and $2 million from advertising.

Those revenues are projected to grow at a 117.9% compound annual growth rate between 2007 and 2012, according to Veronis.
Even if the projections prove accurate, though, mobile radio revenue would still be smaller than broadcast, Internet or satellite in 2012. Mobile radio would bring in $443 million in revenue, compared to $1 billion from Internet and $3.3 billion from satellite.

Moreover, it could fall short if another technology, Internet radio on smartphones, supplants it.

Terrestrial broadcasters have launched a major push to have HD and AM/FM radio chips installed in next-generation mobile devices to counter the advent of mobile devices able to connect to the Internet and stream radio stations.

Cellphones – and smartphones and PDAs, etc. – have a unique place in the landscape of advertising. They are the only form of media that people have on their person most of the time. As more people rely on them for Internet, radio and even television, it opens a new vista for advertisers.

Audio Revenue: Growth Projections

2008-2012

Design Your Own Chart

Source: Veronis Suhler Stevenson, “Communications Industry Forecast 2008-2012”
News and Talk Revenue

In all of these audio options, news is only one part of the mix. On terrestrial radio the category of news/talk/information is the No.2 radio format in the country in terms of stations and audience share, according to Arbitron. Many analysts note, though, that over the years the mix has become much more talk and less news. 14

There are signs that the profitability is falling.

In 2007, 21% of news directors said their newsrooms were showing profit, compared to 29.1% in 2006. 15

News directors who said their newsrooms were showing losses also increased to 10.5% in 2007, up from 8.6% in 2006. Directors who said their newsrooms were breaking even remained about the same.

However, the figures are an inexact barometer. Most news directors, 54.8%, reported that they did not know how their newsrooms were doing. 16

Which companies are making the most of their news/talk stations?

CBS RADIO continues to have the highest average revenue per news/talk station, with $21.4 million per station in 2006 and $19.5 million in 2007. The next highest is Cumulus, with $9.1 million average revenue per station in 2006 and $8.4 million in 2007.

The industry leader in number of stations owned, Clear Channel, lags behind in terms of average revenue per news/talk station with $3.3 million in 2006 vs. $3.1 million in 2007. 17 These differences are generally due to the size of the market in which the majority of stations owned by a company operate. 18
Similar estimates could not be made for the new audio media. But news represented a much smaller proportion of the programming on Internet-only and satellite radio, raising worrisome questions if they eventually supplant traditional radio.

It should be noted that as the newer technologies grow, the financial importance of news could drop. The technologies that allow consumers more control over what they listen to, such as mobile, podcasting, specialized Internet stations such as Pandora and more, may not involve news at all. In terrestrial radio, almost everyone offers some level of news, if only a few minutes at the top of the hour. But even that amount may shrink in new technologies more targeted to niche audiences wanting to tailor the content themselves.

Footnotes


4. Interview via e-mail with Joe Kennedy, CEO of Pandora


14. PEJ conversations with Dale Willman executive editor of NPR Field Notes; Adam Clayton Powell III, senior fellow at the University of Southern California, and Chris Sterling, professor of media and public affairs at George Washington University.


17. The figures are different from last year’s State of the News Media because PEJ has changed the way in which it sorts radio stations by format.

In the BIA Financial Network system stations self-identify their format and many identify themselves as more than one format (i.e., news/talk/sports). In last year’s annual report PEJ sorted for only stations that include the word “news” somewhere in their format code, excluding stations that identified themselves as “talk” without including the word “news.”

This year, using the BIA database, PEJ is employing a different method to sort the stations including those that use the word “news” or the word “talk.” The reason for this is because stations self-identify and there is no clear definition of “news” or “talk” in the BIA system and because the line between “news” and “talk” is increasingly blurred in world of radio.

18. BIA Financial Network and PEJ research
News Investment
By the Project for Excellence in Journalism

Introduction

The picture in radio newsrooms remains a difficult one marked by low pay, centralized operations and heavy workloads.

The centralization of radio news that had fewer newsrooms serving more stations reversed course slightly in 2007, the last year for which full-year data were available. The percentage of news directors being responsible for providing content to several stations went down.

Much of the data about what is occurring in radio newsrooms comes from a survey conducted by Bob Papper of RTNDA/Hofstra University. Papper notes that the sample of radio newsrooms in the survey is relatively small, particularly compared with the companion survey he conducts of television. Given this, some one-year differences may be anomalous, but the trend lines over time are important.

Newsroom Size

According to Papper, radio newsrooms will be particularly affected by the economic crisis and by the downturn in specific key sectors. "I think it’s clear that radio, generally, and radio news, specifically, will have a challenging year in 2009," Papper predicted in an interview with PEJ.

The economic turmoil that began in 2008 is expected by some to hit radio hard. “Radio is supported primarily by local dollars,” Papper said, “and those dollars are heavily auto-related and retail. Both sectors are in trouble right now. And we’re adding these economic challenges on top of what has been a slow, steady erosion of radio news and radio news people over the last 20-plus years.”

That erosion was evident in 2007, before the economic slowdown really gained steam. The average staff size of radio newsrooms fell in 2007, to 2.1 from 2.5 the previous year.

A major radio market is one with 1 million or more listeners, a large market is one with 250,000 to 1 million listeners, a medium market has 50,000 to 250,000, and small markets have 50,000 or fewer listeners. Major-market stations averaged 4 full-time employees, according to the 2007 data, while medium- and small-market stations averaged 1.9 and 1.6 full-time employees respectively, numbers that generally are in line with the scale of previous years. In large markets the average staff fell from 3.3 in 2006 to 2.9 full-time staff members in 2007.

Heading into 2008, only 13% of news directors expected an increase in staff. Most, 76%, predicted they would hold steady. But less than 1% expected a decline.

These expectations were similar to what the news directors had already experienced in 2007. Then, three-quarters of radio newsrooms had stable staffing levels (74%), while 13% increased staff and 12% saw cuts.

But all that was before the economy significantly worsened in the second quarter, and before the economic crisis came to full flower in September.
If the already small staffing levels in radio newsrooms begin to shrink in 2009, it would probably only add to another pressure on radio journalists. That is the trend of centralization of radio newsrooms — the pattern in which one station supplies the news out of a single newsroom for more than one station. That phenomenon appeared to slow somewhat in 2007. A year earlier, in 2006, 76% of news directors said they were providing local news to more than one station. In 2007 that number dropped slightly to 72%. The average newsroom provides 2.9 stations in the local market with local news and 1.4 stations outside the local market. 6

Add to all that — small newsrooms, low salaries and producing shows for multiple stations — one other feature of the modern radio newsroom: the fact that news directors usually have multiple duties. According to the 2007 study, nearly a quarter of news directors (23%) said they were also talk show hosts and 11% said they were also program directors. And 7% said that they were also working in operations, sales or public affairs. Wearing multiple hats has been a feature of radio newsrooms for a long time, the data suggest.

**Amount of News and Time of Day**

How much news do stations produce? Looking across several years’ worth of data, the average has tended to hover around 40 minutes a day. 7 What that number makes clear is that most news heard on the radio comes in the form of short headline segments, usually on the hour. As an illustration, 40 minutes over a 24-hour day would mean each newscast is less than two minutes long.

And when do stations tend to air news most?

The biggest time for news on radio is during morning drive time, from 6 to 10 a.m. when, according to Papper's data, 36.7% of all the news airs during the week. Evening drive time, from 3 to 7 p.m., accounts for 22% of the news aired and nighttime slightly more at 22.8%. The midday slot (10 a.m. to 3 p.m.) continues to air the least amount of news with 12.2 minutes, or 18%, of the news.

According to Arbitron data, listening to the radio generally peaks around 7 a.m. and continues at a fairly high rate through the morning and into the afternoon, until about 3 p.m. It then begins to slowly drop off until the next morning.

The pattern for listening to news is the same, highest in the morning and slowly declining as the day goes on. 8 What this means is that the news cycle differs slightly from the listening cycle. Stations tend to air more news at the beginning and the end of the day, even though listenership does not have that same midday dip and tends to drop off in the evening when the second-most amount of news is aired.

**Radio Salaries**

When it comes to salaries, the most notable thing about radio news is how low they are. The median annual salary for local radio news directors is $30,500. Compare that, for instance, to local television news directors at $80,000.

The difference between television and radio is almost as wide for anchors. In television, the median salary is $65,000. In radio, it is $30,000, although in both cases salaries vary widely by market size.
Radio reporters in 2007 made $23,400 on average per year, while radio producers made $25,400 on average per year.

Papper’s survey data suggest that these salaries have not grown notably in recent years, and there is little reason to expect that to change in 2009, particularly against a bleak economic background.
Radio Newsroom Diversity

If radio newsrooms are not well paid, they also continue to be not all that diverse. There is some sign of increase in the data, although year-to-year changes here may be influenced by a relatively small survey sample.

In 2007 the number of minorities working in radio rose to 12%, up from 6% a year earlier, according to the survey data from Hofstra University and the Radio Television News Directors Association. Those changes could be a function of vagaries in the sample, but in any event indicate a relatively low percentage.

In all, according to the data, 88% of the workforce in 2007 was Caucasian. African Americans made up the next largest group at 8% (up from 3.3% in 2006). Hispanics represented just under 4% of the radio workforce, up from 1% in 2006. Asian Americans represent almost 1%, as do Native Americans.
Women are another minority in radio newsrooms. All told, they appear to make up about a quarter of the workforce, according to the Papper survey data (23% in the 2007 survey, similar to 25% a year earlier). Newsrooms that serve major markets have a higher percentage of women in the newsroom than their smaller counterparts. Major-market newsrooms are on average 36% female compared to 21.4% in large markets, 23.6% in medium and 14.8% in small. When it comes to leadership, the numbers of women are roughly similar to radio newsrooms over all. In the 2007 data, 20% of radio news directors were women. 11

**Satellite Radio News**

The impact of the merger on news programming is hard to divine heading into 2009. In terms of content, for now XM and Sirius subscribers will get the same news channels offered by each network before the merger. Sirius has not said how its news content will consist of once the two stations' content is full merged. (For information on Sirius and XM's news lineup pre-merger see last years report)

**NPR**

In December 2008 NPR announced its first organization-wide job cuts in 25 years. NPR said it would eliminate about 7% percent of its workforce and cut two of its programs.

A seven percent cut in jobs amounts to 64 employees out of the 889 total staff. About half of the 64 people who will be cut are journalists The two programs slated for elimination were “Day to Day” and “News & Notes.”

The job cuts were spurred by a sharp decline in revenue at NPR. NPR relies on four funding sources: underwriting by corporations, membership fees from member stations, donations, and an endowment made up primarily of a $230 million donation from Joan Kroc, the widow of McDonald’s founder Ray Kroc.

Corporate underwriting, which accounts for about 30% of NPR's revenue, was hardest hit by the recession. NPR cut its budget for underwriting revenue from $47 million to $33 million in 2008. NPR also expected to make no revenue from the Kroc donation because the investment has declined. This amounts to a loss of about $10 million that NPR was expecting from the endowment. 12

After the job cuts, NPR had 356 employees in its news division. In fiscal year ending September 30, 2008, NPR’s news budget was $100 million, up from $87.6 million in the same period a year earlier.

NPR had 20 offices in the United States, including its headquarters in Washington, D.C., and 17 foreign bureaus. Since 1999 NPR has opened 9 foreign bureaus.

In July, the NPR board of directors approved a budget for fiscal year 2009 (Oct. 1, 2008 to Sept. 30, 2009) that projected $165 million in revenues, down from $169 million the year prior. 13
Footnotes

1. Interview with Bob Papper of RTNDA/Hofstra University, conducted by PEJ


4. These figures to not add up to 100 because of respondents who said they did not know.


7. The average minutes per day of news produced by stations jumped to 66.1 minutes in 2007, according to the Papper survey, but that sharp increase was most likely the result of the small sample size in the survey. The 2008 survey should help resolve whether that was an anomaly or something more.

8. According to Arbitron, during the weekday morning (6 a.m. to 10 a.m.) 12.4% of Arbitron’s audience listened to news/talk/information. Then during the mid-day (10 a.m. to 3 p.m.) the figure was 11.7%, when, according to radio news directors, the least amount of news is aired. Finally, during the PM drive time and nighttime hours, when more news is aired than during midday, Arbitron’s data has a drop in listeners from 10.3% during PM drive time to 9.6% during the night.


10. Among news directors the diversity numbers are similar to the stations over all. According to the latest survey, 88% of news directors are Caucasian, 1% are African American, 3% are Hispanic, and less than 1 percent are Asian or Native Americans.


13. Data provided to NPR by PEJ
Ownership

Introduction

Two events stand out in the ownership of radio in 2008. One was the approval of the merger of the two satellite radio companies. The other was what didn’t happen, the predicted shift toward a new kind of ownership in most of the rest of the radio industry.

In the emerging medium of satellite radio, the two pioneers and fierce rivals succeeded finally in combining forces. Sirius and XM became Sirius XM Radio.

Meanwhile, the predicted surge of private equity of radio ownership failed to materialize in 2008.

It was true that the biggest player in the industry, Clear Channel Communications, was sold to private equity investors. That deal was approved by shareholders in 2007 and closed in July 2008.

But no tide of similar transactions ensued. A tentative deal for an investment group to buy the nation’s second-largest owner of broadcast radio stations, Cumulus Media, collapsed. And, despite reports that Emmis Communications and Westwood One were looking for private equity investors, no deal was consummated.

The result was that most of the broadcast radio landscape in 2008 remained dominated by a handful of companies, primarily publicly traded, that own the bulk of the broadcast radio stations in the U.S.

But in satellite radio, the concentration of ownership has gotten even greater.

And then there was one

The big player in satellite is now the only one: Sirius XM.

The company was formed out of the merger of Sirius and XM Radio, the two pioneers in satellite radio. The merger was completed in the summer of 2008 when it won the approval of the Justice Department’s Antitrust Division and the Federal Communications Commission.

Originally proposed in February of 2006, the merger attracted controversy with strong voices all on sides.

Proponents of the merger maintained that satellite radio is not a separate market, but rather a part of the radio market and was in fact competing against traditional, or terrestrial, radio, Internet radio and HD radio, among others. In such a context, the two companies said listeners would suffer without a merger and that, if approved, subscribers would get improved service.

“The combined company will be better positioned to compete effectively with the continually expanding array of entertainment alternatives that consumers have embraced,” the two companies said in a joint statement when the merger was proposed. 1

Opponents argued that satellite radio was really a separate medium of its own and that the merger would give a single company monopoly control over it. They opposed the merger on the ground that only with competition would other content providers have access to satellite radio technology.
The interim CEO of National Public Radio, Dennis Haarsager, argued in July 2008 that the new monopoly would hurt the public interest because it would put control of the satellite radio spectrum in the hands of one company: “The public interest is not being served in this decision,” he said. It should be noted that NPR might have benefited from the competition between the companies because it sold programming to both.

The FCC ultimately concluded, with all three Republican commissions voting in favor and the two Democrats dissenting, that permitting the merger was in the best interest of the emerging medium.

Commissioner Robert M. McDowell, a Republican, wrote the decision, saying: “Competition in the audio market has grown substantially in the past few years… When discussing this merger, it is important to keep in mind that satellite radio – both XM and Sirius combined – comprises only 5 percent of that audio marketplace.”

How much news is on satellite radio? As of October 2008, Sirius offered nine stations that were identified as news and two as political talk. XM offered nine news channels and five talk channels, as well as its own public radio channel called XM Public Radio.

It was not clear, heading into 2009, whether the news offerings of the new merged company would change.

Number of Stations Owned by Top Broadcasting Companies
2007 vs. 2008

<table>
<thead>
<tr>
<th>Owner</th>
<th>Number of Stations Owned, December 2007</th>
<th>Number of Stations Owned, December 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cleart Channel</td>
<td>636</td>
<td>833</td>
</tr>
<tr>
<td>Cumulus</td>
<td>286</td>
<td>346</td>
</tr>
<tr>
<td>Citadel Communications</td>
<td>204</td>
<td>230</td>
</tr>
<tr>
<td>CBS RADIO</td>
<td>140</td>
<td>140</td>
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<tr>
<td>Entercom</td>
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<td>111</td>
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<tr>
<td>Salem Communications Corporation</td>
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<tr>
<td>Saga Communications Inc.</td>
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<td>Cox Radio Inc.</td>
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<td>85</td>
</tr>
<tr>
<td>Univision</td>
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<td>69</td>
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<tr>
<td>Radio One Inc.</td>
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<td>52</td>
</tr>
<tr>
<td>Regent Communications</td>
<td>68</td>
<td>62</td>
</tr>
<tr>
<td>ABC/Disney</td>
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<td>47</td>
</tr>
<tr>
<td>Entravision</td>
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<td>48</td>
</tr>
<tr>
<td>Cumulus Media Partners LLC</td>
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<td>36</td>
</tr>
<tr>
<td>Journal Broadcasting Group Inc.</td>
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<td>35</td>
</tr>
<tr>
<td>Citadel/ABC</td>
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<td>24</td>
</tr>
<tr>
<td>Emmis Communications</td>
<td>23</td>
<td>23</td>
</tr>
</tbody>
</table>

Source: BIAfn Media Access Pro, PEJ Research, December 2008
The Top Players in Broadcast Radio

Clear Channel

Another transaction, Clear Channel’s sale to the private equity firm CC Media Holdings, also closed in 2008, on July 24.

CC Media, formed by an investment group co-led by Bain Capital Partners and Thomas H. Lee Partners, paid $24 billion to become the largest owner of broadcast radio stations in the United States.

Despite speculation that Clear Channel would sell stations after its move to private equity, the number of stations owned by Clear Channel actually increased to 833 stations in 2008 from 636 in 2007. It is still well below the 1,200 stations it owned in 2006, but its total is still twice as many stations as the next biggest player.

The company amassed its empire of stations in the years since 1996, when Congress lifted limits on how many stations one company could own. It took advantage of its scale by producing programs in one location and transmitting them to a number of stations at once. Its size also made it a symbol of the consolidation of media among opponents of the trend. (See PEJ’s 2004 State of the Media for some history on Clear Channel)

But Clear Channel’s size and strategy eventually began to create problems, which led the company to begin to downsize and then go private.

How the privatization of Clear Channel will affect its programming or lineup of stations was unclear at the end of 2008.

Clear Channel’s CEO, Mark Mays, said listeners would benefit from the company’s private status.

“Not worrying about quarterly results will enable us to continue to focus on radio listeners like we have in the past. That was becoming more difficult being a public company,” Mays said. 5

News has not been the dominant format for the company’s stations. Of its 833 stations, 145 were identified as either news, talk or some combination of both at the end of 2008. The rest were music, sports and some other formats such as inspirational and Christian contemporary. 6

Beyond radio broadcasts, the company also generates a good portion of its revenue from outdoor advertising, such as billboards. Radio broadcasting remains the largest source of revenue, with $844 million in the third quarter of 2008. But nearly as much, $813.3 million, was brought in from outdoor advertising.

The company also has an international division that is an extension of its domestic outdoor advertising business to overseas. This division brought in $54 million in revenue, far smaller than the other two divisions that make up most of Clear Channel’s business. 7

Cumulus Media

The No. 2 terrestrial, or traditional, radio company in the country, Cumulus Media, abandoned its attempt to transition to a privately held company.

Cumulus cited an inability to agree on terms with its buyout partner, Merrill Lynch Global Private Equity, as the reason. And in May 2008 it pulled out of the $1.3 billion, $11.75-per-share deal. 8 The company described the parting of ways as “amicable.” 9 One factor may have been a drop in the company’s stock value, which had fallen to $4.51 a share – more than $6 below the offering price — by the time the deal was canceled.

The stock faced subsequent trouble. Shares fell below $1 in November after having been as high as $9.42 in the preceding year.

The company blamed a fall-off in advertising related to the recession.

Cumulus’ chief executive, Lew Dickey, predicted that hard times would force further mergers in the industry, although he did not say if his company would be affected.

“There’s never going to be the amount of change — reordering of the landscape — as is going to happen over the next 36, 48 months,” said Dickey. 10

Cumulus remains the second-largest owner of radio stations in the United States, with 346 radio stations in 66 mid-size markets.  It owns 43 stations that identify themselves as news or talk, or some combination of both formats. 11 The rest of the stations are identified as music or sports.

Citadel Communications

Citadel was the third-largest radio company in the U.S., in terms of stations owned. It owns the ABC Radio Network, which it acquired from the Disney Company in 2006.

In all, the company owned 230 stations in 57 markets across the U.S. as of fall 2008. Of those stations, 37 identify themselves as news, talk or some combination of formats that include news or talk.

There also were signs of financial distress for Citadel in 2008. In September, the company announced that its stock price had fallen below the minimum required for listing by the New York Stock Exchange. But the firm said it was in compliance with other listing standards and would continue to be listed while it attempted to boost its share price.

In January 2009 the stock exchange lowered the minimum value of a listed company’s market capitalization – a benchmark that Citadel met. However, the company’s share price was still below the exchange’s minimum and was at risk of being delisted.
CBS RADIO

CBS RADIO, the nation's fourth-largest owner of radio stations, renewed its distribution agreement with Westwood One.

The company owns 140 stations in 31 markets and, according to BIA, 31 of the stations identified themselves as news or talk.

That gives CBS, which was among the pioneers of all-news stations in the 1960s, the distinction of still having the greatest focus on news and talk as a percentage of its stations.

In March 2008, Westwood One and CBS RADIO concluded the agreement extending their content-sharing relationship until 2017.

Westwood One has national syndication rights for all CBS news programming and broadcasts CBS news on many of its affiliate stations. CBS RADIO broadcasts Westwood One content in exchange for the use of some of the programming, Westwood One also pays CBS to broadcast some of its content. 12

In July 2008 CBS announced that it would begin auctioning off 50 of its radio stations and in winter 2008 it agreed to trade 5 stations to Clear Channel. 13 Bids for the auction were due in September 2008; deals will continue into 2009. (link to paragraph on clear channel agreement above)
Air America Radio

In 2008 Air America Radio was trying to build audience with a new owner. It filed for reorganization under Chapter 11 of the bankruptcy code in 2006, only two years after going on the air as a liberal alternative to the many conservative-leaning talk radio shows in the country.

It was bought in 2007 for $4.25 million and restructured by a New York real estate investor, Stephen Green. Green is a brother of Mark Green, a longtime fixture in Democratic politics in New York City and a frequent guest on the network.

In 2008, Air America had 63 affiliate stations across the country. 14

Footnotes


2. Statement of Commissioner Robert M. McDowell Re: Applications for Consent to the Transfer of Control of Licenses, XM Satellite Radio Holdings Inc., Transferor, to Sirius Satellite Radio Inc., Transferee, MB Docket No. 07-57. The 13% that PEJ cited above refers to the portion of the population over the age of 12 that subscribes to satellite radio, according to Arbitron. The 5% cited by the commissioner here refers to a measurement of market share.

3. www.sirius.com/whastonsirius


5. David Lieberman, “Clear Channel CEO says going private will allow firm to focus on listeners,” USA Today, November 16, 2006

6. In the BIA database formats are self-reported by each radio station and many stations identify themselves as more than one format such as news/talk/sports. The number of news/talk stations here includes all stations that identified themselves as news or talk; it includes stations that may have identified themselves as having an additional third or fourth format.

7. CC Media Holdings Press release, November 10, 2008


Talk Radio

Talk Radio

Introduction

The 2008 election campaign may have seemed like unfriendly terrain for the nation's conservative talk radio hosts. In the Republican primary season, some of the top talkers backed Mitt Romney or Fred Thompson over the eventual nominee, John McCain. And despite their energetic and staunch opposition to Barack Obama, the Democrat handily won the Nov. 4 election.

But the dominance of conservative talkers appeared unaffected by the nation's apparent tilt leftward at the ballot box. And going forward, talk radio will once again find itself as an oppositional medium, the same posture it had during the 1990s.

From the left, efforts to add liberal-leaning voices to the airwaves continue to prove halting at best and 2008 offered little encouragement. Several leading talkers on the left actually lost audience even as Democrats were mounting their comeback at the polls.

There was more evidence of the power of talk radio generally as a medium, however. The number of radio stations that carry at least some talk shows, which includes everything from political talk to advice shows, grew by a third in 2008, to 2,056 from 1,370 the year before, according to Inside Radio magazine. 1

And the total audience for talk radio grew slightly, too, to 48 million people, up 2% from 47 million in 2007, according to data from Arbitron. 2

The genre's origins date as far back as the medium itself, with talk being a cheap and easily produced format for radio programs. But the phenomenon of highly politicized talk radio hosts is modern.

The current age of talk radio was ushered in with the repeal of the Fairness Doctrine in 1987. The repeal freed stations from an obligation to offer equal representation to viewpoints. It also eliminated the costly mandate for radio stations to cover issues of local importance. (See sidebar for more info)

Talk Personalities

Many of the leading conservative talk hosts had audience growth in 2008, beginning with Rush Limbaugh, the modern godfather of the genre. Limbaugh's average weekly audience, which had shrunk after hitting an all-time high in 2003, rebounded to nearly its old level. For the year, according to Talkers Magazine 3, Limbaugh reached a weekly audience of 14.25 million in 2008, up from 13.5 million the previous two years. That was just shy of his peak of 14.5 million in 2003.
Limbaugh’s immediate future also seems secure. In July 2008 he signed an eight-year contract with Clear Channel for $38 million a year.

Limbaugh’s biggest rival for audience is fellow conservative Sean Hannity, who also hosts a successful cable television show on Fox News.

Hannity also gained listeners in 2008, continuing a growth trend, but he still has not quite reached Limbaugh’s levels. Hannity’s weekly audience grew from 11.75 million in 2003 to 12.5 million in 2007. In 2008, he added almost a million listeners, hitting 13.25 million. That puts him one million, or 7%, behind than Limbaugh.

Other conservatives also picked up listeners in the election year. Michael Savage and Laura Schlessinger increased their audiences to 8.25 million each, up from 8 million in 2007. The biggest winner was Glenn Beck, who increased his audience to 6.75 million, from 5 million in 2007.

The news was not so good for liberals. They continued to lag behind, with some prominent ones actually losing audience.

The biggest syndicated liberal talker, Ed Schultz, was down to 3 million listeners, from 3.25 million in 2007, according to the data from Talkers Magazine. Randi Rhodes was down to 1 million, from 1.5 million in 2007.

Three other liberal talkers — Lionel, Stephanie Miller and Alan Colmes — all had their audiences remain stable at 1.5 million each. 4

Don Imus returned to the air in December 2007 after being fired by CBS earlier that year for making controversial remarks about the Rutgers women’s basketball team (See last year’s report for more information on this incident). Before his firing, he was pulling in 2.5 million listeners a week. As of spring 2008, more than a year later, his audience on ABC radio was not quite back to that, but he was being heard by 1.75 million, putting him at No. 13 on Talkers Magazine’s list of top talkers.

Air America host Rachel Maddow made the jump to television, landing a spot on MSNBC immediately following fellow liberal host Keith Olbermann. Maddow continues to host her radio show in addition to her show on MSNBC.

**Talk Show Hosts Making News**

Several talk show hosts also made news as well as talked about it in 2008.

Among those most affected was Randi Rhodes. She got into hot water in March 2008, for delivering a profanity-laced rant at a comedy club against Geraldine Ferraro and Hillary Clinton. 5 Air America suspended her in response and she reacted by resigning from the network.

Rhodes defended herself in an appearance on – what else? – a talk show. She told Larry King on CNN on April 10 that her remarks were delivered at a stand-up comedy event and that she has every right to say what she did: “It’s absolutely 100 percent pure stand-up, Larry. It was a Saturday night in San Francisco in a club. It was me on a stage with a microphone doing stand-up.” 6
Rhodes was off the air for only a few weeks, joining the Nova M Radio syndicate on April 14, 2008. But it cost her 50% of her audience after she made the switch.

In February 2009 Nova M Radio was forced to file for bankruptcy liquidation and early in the month Randi Rhodes quite Nova M citing on her website a “failure to correct an unspecified problem.”

According to the Wallstreet Journal Ms. Rhodes expected Nova M to cover some legal costs for her, and when she found out that they would not she left the network.

On the right, several conservative talkers were in the news in 2008 for unusual criticism of a fellow conservative. Three of the top ones—Limbaugh, Hannity, and Laura Ingraham—all expressed strong reservations about John McCain as the Republican candidate for president, reflecting the discontent McCain engendered among conservatives. On January 11, 2008, Hannity said: “If you ask me who are the two more liberal candidates in the Republican primary, I would say, it’s John McCain and Mike Huckabee.”

After McCain became his party’s nominee for president, the hosts publicly supported him — though with varying degrees of enthusiasm. As Limbaugh said: “It's like the Super Bowl. If your team isn’t in it, you root for the team you hate less. That’s McCain.”

Black talk radio also saw a boost from the election year with Barack Obama making some appearances on black talk shows and with black talk radio hosts being in high demand for cable pundits. (See the Ethnic Chapter of this report for more information)

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**Top Talk Radio Hosts Weekly Listenership in Millions**

<table>
<thead>
<tr>
<th>Name</th>
<th>Year 2008</th>
<th>Year 2007</th>
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Source: *Talkers magazine, "Top Talk Personalities," Spring 2008*

Note: * = Information unavailable; NA = Talk host not nationally broadcast
Talk Radio Demographics

Listeners to talk radio are not a cross-sampling of America and are somewhat similar to the news/talk audience. They are more likely to be male than female (63.4% vs. 36.6%). They also tend to be, on average, more educated than the general population. About 75% have some college education, according to Arbitron.

Listeners to talk radio also tend to be older than those listening to other formats. Only 5% are between the ages of 18 and 24, and 80.2% are over the age of 35.

The good news for advertisers is that the talk radio audience is relatively affluent, with 45.6% making more than $75,000 per year and only 9.6% making less than $25,000.

While the demographics of news/talk and talk radio are the same, talk radio programming is driven by ideology and attracts more ideological listeners.

According to the Pew Research Center for People & the Press, conservative Republicans make up 28% of talk radio’s audience, compared to only 17% of the general public who identify themselves as conservative Republicans. Moderate Republicans make up 13%, moderate Democrats make up 13% and liberal Democrats make up 20% of talk radio’s audience.

Footnotes

1. Inside Radio, format counts
3. Estimating the audience of radio talk shows is inexact. The major radio ratings agency, Arbitron, collects some data on a market-by-market basis and time-slot-by-time-slot, but does not aggregate the data to come up with a total listenership figure. Talkers Magazine, working with Arbitron data and other sources, comes up with an estimate that it describes as “rough projections based upon a significant sample and do not represent exact Arbitron or any other ratings service totals.”

7. Sean Hannity, the Sean Hannity Show, January 11, 2008


14. Sean Hannity, the Sean Hannity Show, November 26, 2008

15. Peter Winn, “Democratic Senator Tells Conservative Radio Station He’d Re-impose Fairness Doctrine — on Them,” CNSNEWS.com, October 22, 2008

**Charts & Tables**

**Charts & Tables**
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Number of Stations Owned by Top Broadcasting Companies

Talk Radio

Top Talk Radio Hosts
Ethnic – Intro

Introduction

*By the Project for Excellence in Journalism*

Largely as a result of the recession, the ethnic media saw a mixed 2008.

There were stories of revenue losses, business closings and reorganizations, and also many examples of the ethnic media continuing to fare much better than the mainstream press.

In the end, for a sector that had been among the brighter spots in journalism, the year might best be described as bittersweet.

One trend that emerged toward the end of the year was print publications moving online because they could not afford to keep printing or to meet the changing tastes of readers. For those going online only, it was unclear heading into 2009 whether the strategy would work. It had already hastened one major paper’s demise. But the push online, whether online only or simply beefing up websites, marked a major change for a sector that has been mostly reluctant to make use of the Internet.

Barack Obama’s candidacy was a factor in this move toward almost up-to-the-minute news on the Internet, in some cases right to mobile devices.

The Obama candidacy, indeed, provided some of the “sweet” to the “bitter” for the ethnic media. African American media dedicated unprecedented resources. The Native American media covered the story heavily and had an increase in youth participation. And some sectors of the Spanish-language media benefited from extra attention from the campaigns in the way of advertising dollars.

Once the election was over, however, the year concluded on a tenuous note, with many waiting to see what their next move should be. As signs grew that the recession was deepening, the prospect of further losses in ad revenue posed a particularly serious threat to smaller organizations without much more to cut back on and with no other operations on which they could rely.
Content Analysis

By the Project for Excellence in Journalism

How did two major players in the ethnic media in America—the African American and Hispanic—cover the biggest story of the year, the presidential race? And how did that compare to the press generally?

To find the answers to these questions, PEJ took a snapshot of Spanish-language, African American and English-language print and television media in the days leading up to and immediately after the historic election, the first to elect a person of color to the White House.

Over all, the African American and Hispanic ethnic media studied by PEJ offered a heavier emphasis on the ins and outs of voting, the election as a watershed in U.S. history and in African-American television a clear sense of celebration. Among the findings:

- Both Hispanic and African American media took how-to approach to their election reporting than did the mainstream outlets. In many cases the ethnic media acted as teachers, voter-advocate and even watchdogs. Indeed, both Spanish-language and African American newspapers devoted more than twice the space as English-language ones to explaining specifics on voting, such as necessary documents and when polls close.

- In addition to voting specifics, these news outlets also focused on protecting their audiences’ right to vote, reporting possibilities for irregularities and what to do if a person is unable to vote. Very little of this existed anywhere in mainstream media’s election coverage.

- African American print dedicated significant space – more than any other medium PEJ studied – to the historic nature of Obama’s candidacy and election. Almost a quarter of the election coverage studied was dedicated to the issue, twice that of mainstream newspapers.

- African American broadcasts revealed more emotional, celebratory and casual reporting style that reflected what might be called cultural media rather than a strict journalistic approach.

These are some of the findings of a study of election coverage from October 30, 2008 to November 5, 2008. PEJ studied the top three Spanish-language and African American newspapers, El Diario/La Prensa, El Nuevo Herald, La Opinión, the New York Amsterdam News, the Philadelphia Tribune and the Afro-American. PEJ then compared the content of those papers to the New York Times, the Washington Post and the Los Angeles Times.

In order to get an accurate picture of the media coverage of the presidential election, PEJ studied all articles, columns and editorials in the front section of each newspaper, including opinion and editorial articles.

On the broadcast side, PEJ looked at the top Hispanic and African American television stations offering election coverage, Univision and the Black Entertainment Channel (BET).
The issue of Hispanics as a critical voting block was largely absent from English-language media during the campaign season. Yet, Hispanics in the end played a significant role. There was record spending on Hispanic media and real-time Spanish translations of debates for the first time online. And as it turned out, the Hispanic vote proved crucial to Barack Obama’s victory. Hispanic voters numbered between 9.6 million and 11 million, according to exit poll data. And an additional survey reports that they voted for Barack Obama over John McCain by a margin of more than 2 to 1, or 67% to 31%.

Did Spanish-language media cover this election differently than their English-language counterparts? In the final days of the campaign, at least, the answer seems to be yes.

As PEJ found in its analysis of coverage of the 2007 immigration bill, Hispanic print coverage of the election had more in common with its English-language counterpart than did Hispanic broadcast outlets.

The difference that stood out most was in the relative prominence given to storylines such as the historic nature of the election, voting issues and daily events on the campaign trail.

Spanish-language newspapers focused much more on the historic aspects of Obama’s status as a mixed-race candidate than did mainstream newspapers. Fully 21% of its coverage focused on this theme, compared with 10% of coverage in English-language newspapers studied.
Many of the pieces also talked about how Hispanics felt deeply connected to the election of a minority to the highest office in the country and hoped it would lead to a breakthrough in race relations in America.

In a column entitled “More there than victory” Gerson Borrero in El Diario/La Prensa told the story of a white woman who had added Hussein to her name to show solidarity with Barack Obama after the candidate faced criticism for his Arabic middle name. The woman, whom he identified as Paula Hussein Campbell of New York City, said she saw the election as “a new beginning,” Borrero wrote. And her actions “formed part of the victory after years of racism and stereotypes that we never thought we’d see in our lives,” Borrero wrote. “That for sure gives us a victory far beyond electoral triumph.”

After the historic nature of election’s racial dynamic, the next most popular topic in Hispanic print media was coverage of voting issues, and in the Hispanic press this coverage was not only bigger than in the English-language papers, but it was also different in character.
Fully 20% of the Spanish-language print newshole was dedicated to voting issues vs. 14% in English-language newspapers.

And the stories were different in nature. Rather than reporting on the demographics, turnout predictions and analysis, as was the case in English-language print, more than half of the Hispanic voting coverage (11% of all voting stories) focused on familiarizing Hispanics with the voting process and potential irregularities. This coverage took a more “how to” approach to Election Day, including articles on the logistics of Election Day, such as what ID to bring and what to do if you are unable to vote. Other stories explained the Electoral College and examined reports of voting irregularities.

**Voting Coverage Breakdown, Newspapers**

October 30-November 5, 2008

Design Your Own Chart

Source: PEJ original content analysis
On October 31, for example, La Opinión ran an article on page six entitled “Advice for Election Day,” that began with, “If you are voting for the first time in the United States this Tuesday, bring an identification document with you.” 4On November 4, El Nuevo Herald ran an article on the possibility of voting machine malfunctions due to high turnout on Election Day and El Diario/La Prensa reported that election authorities in New York and New Jersey would ensure everyone’s right to vote.

Beyond the mechanics of voting, the Hispanic media also paid close attention to the impact of the Hispanic vote. Coverage of the Hispanic vote accounted for 7% of election stories—the fourth-most common topic during the period studied (vs. 0.5% in the English language newspapers studied).

The extensive Spanish-language coverage differed in another way: a greater reliance on stories produced by wire news services such as the Associated Press. Well over half the stories were staff-produced (64%, including staff-produced opinion and editorial pieces) but more than a third came from wire services (35%). That is well above the percentage of wire stories on the topic in English-language papers (.5% wire). The remaining 1% was stories reprinted from other news outlets. 5

Finally, Spanish-language newspapers covered the international interest and impact of the election more than their English-language counterparts. Nine percent of Spanish-language articles were internationally focused, twice that of English print articles (4%). This was just behind the 10% of international coverage Spanish-language broadcast produced.

On October 30, for example, Nuevo Herald reported the impact an Obama win could have on the embargo with Cuba. In another, the paper reported that many Cubans in the U.S. hope an Obama win would relax travel restrictions to the island. La Opinión also covered the celebration in Kenya over Obama’s election via a wire story.

Broadcast

If Spanish-language newspapers emphasized trying to help their readers vote, the Spanish broadcaster Univision considered that its main mission. The largest Spanish–language broadcaster in the U.S. dedicated 28% of its election newshole studied during that week to voting, more than three times than the English-language broadcasters (8%), and nearly eight percentage points more than Spanish language papers (20%). And most of this—more two-thirds of all this coverage—was devoted to the how-to elements of voting, the mechanics of helping audiences actually vote, or how to avoid being discouraged or stopped from voting.
Consider the package run by Noticiero Univision on November 3 about how first-time voters and new citizens could ensure their right to vote. The story also reported on some irregularities in New Mexico and named various organizations ready to help Latinos having trouble exercising their vote. "It is estimated that in these elections, up to 2 million new Latino voters will exercise their right to vote," anchor Maria Elena Salinas said. "A large part of them are new citizens of the United States, and for many, the electoral process represents a true challenge. During the last few weeks, we have offered you information about the electoral process that will help you vote... Today, we will inform you how to protect that vote."
After voting, the next three most common topic areas got equal treatment from Univision, at 7% each: the impact of the Hispanic vote, coverage of swing and red (Republican-leaning) states, and examinations of electoral map math. Two of the three were bigger topics here than in English-language TV. In the period PEJ studied, English-language broadcast did not cover the impact of the Hispanic vote at all and dedicated 5% of their election newshole to electoral map math. Swing and red states, however, got substantial coverage –12% of the election newshole.

And in a demonstration of a way in which Hispanic media are using technology to adapt to the shifting needs and demands of a changing audience, Univision dedicated a sizable portion (7%) of its election newshole to electoral map math. Maria Elena Salinas unveiled a new digital map to measure electoral votes by saying, “Sometimes, images count more than words, and in our electoral coverage, for the first time, we have a digital map that can help us visualize the presidential contest.”
There were also some differences in how Univision and the three commercial American broadcasters produced their election news. Univision invested more staff resources in edited packages and relied less on live interviews or brief anchor reads that are easier to produce.

International reactions and perspectives on the American presidential election was an uncommon topic across most media, but Univision dedicated a significant piece of its newshole to bringing viewers an international perspective. More than any other media source, regardless of ethnicity or sector, 10% of Univision’s election coverage had a significant international element. For comparison, only 2% of the English-language broadcaster’s newshole was dedicated to international coverage of the election during the time PEJ studied.
One story in particular that stood out was about a group of indigenous Shamans in Peru, who held a ritual on a beach in order to guess who the new American president would be. Another was a recap of Cuban Foreign Minister Felipe Pérez Roque addressing the United Nations, calling John McCain a “political dinosaur,” speaking on how an Obama victory might affect the embargo against Cuba, but ultimately affirming Cuba’s “impartiality” in the U.S. election.

Spanish-language broadcasters displayed none of the emotional during the period studied that we found during coverage of the immigration debate in Congress in 2007. The coverage here, at least on Univision, was similar in tone and language to the major English-language broadcasters.

**African American**

African American media stood out as the most emotional in its campaign coverage and African American newspapers in particular acted as an election watchdog and advocate, urging African American voters to know and protect their rights and report irregularities.
Newspapers

In print, the biggest story line of all was the historic nature of the election given Obama’s status as the first person of color elected president. That storyline made up nearly a quarter of all the coverage during the period studied, 24.2%, compared with 10% in English language and 21% in Spanish.

Newspaper Coverage, Historic Nature of Obama Candidacy and Election

October 30-November 5, 2008

Design Your Own Chart

Source: PEJ original content analysis

One particular angle here was a focus on elderly voters who never thought they would see the day they could vote for a black man for president. In its issue prior to election day, the New York Amsterdam News told the story of the Rev. Benjamin Wright, a 105-year-old Harlem man who enlisted the help of a state senator to cast his ballot and then broke into a song of celebration… “Last week, [State Senator] Perkins presented Wright with his ballot at his Harlem home, and the good reverend, in his Obama baseball cap, was visibly pleased. He expressed himself not just through conversation but also by belting out a song: the classic gospel song ‘Pilgrim of Sorrow.’”  

Such emotion was easy to find throughout the African American coverage: “The world has been watching and will continue to watch, as a black man once more has been called on to salvage a country spiraling perilously out of control and in desperate need of a messenger of hope and promise,” a piece in the Amsterdam News said.
Voting issues were the second biggest storyline (16% of coverage) in African American newspapers, particularly possible voter fraud, irregularities and turnout issues. These issues filled 14% of the mainstream newspapers studied and 20% of Hispanic. 7

Often these stories had the tone of a watchdog and advocate to African American voters, telling them to beware of certain voting issues and covering measures being taken by the presidential campaigns and organizations such as the NAACP to avoid voter fraud.

In the pre-election day publication, for example, the Amsterdam News ran an article, “Challenging Election Day Challenges,” which gave voters advice to come out early to avoid long lines, what voters should do if they are unable to find their name on the roll or if a voting machine breaks down. Similarly, the Philadelphia Tribune published “Keeping Voting Process Smooth and Painless.”

**Voting Coverage Breakdown, Newspapers**

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**Voting Coverage Breakdown, Newspapers**

October 30-November 5, 2008

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**Design Your Own Chart**

Source: PEJ original content analysis
Save for the top two stories – the historic nature of Obama’s candidacy and voting issues – the angles the African American press pursued varied considerably from English- and Spanish-language papers.

Top Five Election Storylines, African American Print

October 30-November 5, 2008

![Bar chart showing the top five election storylines.]

Design Your Own Chart
Source: PEJ original content analysis

A topic that received considerably more attention in the black press than either the Hispanic or mainstream media was a reported foiled plot by white supremacists in Tennessee to assassinate Obama. This storyline accounted for 3.2% of African American print’s newshole in the days leading up to and after the election. Neither mainstream print nor Spanish-language print covered this story.

The reports were straight accounts of the arrests and crime, but the Afro American was particularly detailed in its
description of the plan. The article read: “Cowart and Schlesselman are charged with possessing an illegal sawed-off shotgun, planning to steal weapons from a federally-licensed gun dealer and threatening a presidential candidate.”

It continued, “Court records state that the two were plotting a killing spree that was to include more than 80 murders of other African Americans before culminating with a potential suicide attack on Obama. They reportedly told investigators they planned to drive toward Obama at high speed while dressed in white tuxedoes and top hats and blasting with firearms from the windows of their vehicle.”

Broadcast

Despite not having nightly news shows, BET and TV One, the two top-rated African American cable channels, did provide heavy news coverage of returns and events on election night. For this study, PEJ looked at the coverage on the top-rated network, BET, and compared it to the election night coverage of Univision, the top Spanish-language broadcaster, and the major English-language network news broadcasts.

What viewers found on BET was a substantially different news experience than elsewhere, one focused on providing a forum for voices of young voters and young African Americans wrapped up in an emotional and historic moment. The atmosphere was less formal and results-focused than Univision and the major networks’ coverage, and stood out among all media studied for its lack of technological wizardry. BET's electoral map was on paper and hung in the studio.

BET’s election-night coverage began at 7 p.m. with the hosts of 106 & Park, a popular BET program, Terrence J. and Rocsi, decked out in VOTE T-shirts introducing rapper and hip-hop artist Q-Tip, who commented on the historic nature of the election. The hosts mixed the video countdown that typically marks their show with staff reports from Ohio and Atlanta and interviews with young African Americans who voted for the first time.

After 106 & Park, the coverage was turned over to Jeff Johnson, who served as the host for the night. From the beginning of the broadcast, it was clear that BET would assume the role of advocate and watchdog for African American voters at the polls. Johnson reported to the two hosts of 106 & Park: “You would not believe some of the tactics people are using to still try to get people out there to turn away. If you know somebody that’s at the polls and they’re in line you need to be their lifeline. Call them right now tell them to stay in line. Tell them don’t come home, they can’t get in the door, they can’t eat if they leave the lines.”

In a report from Spellman College in Atlanta, the historic nature and importance of the election to African American community was also evident. A student told an interviewer: “There are people who gave their lives for us to be able to vote. The least I can do is stand there and wait.”

Along with comprehensive coverage of results and returns, BET also broadcast staff reports from Phoenix, Ohio, Atlanta and Chicago. Johnson was joined for a good portion of the night by expert commentators and he mixed interviews with campaign officials and prominent African American political figures with reports from the field. The coverage included a series of town-hall like discussions on what Obama means for African American men and African American culture and how this election would affect America’s standing in the world.

Just after 11 p.m., BET declared Obama the winner and the studio exploded with applause and cheering. Johnson
intoned: “There is no way you can hear this news and in some way shape or form not be moved. As a journalist, I’ve been attempting to maintain composure and report this, but this is history, and this has changed the entire world. And if you have not been affected by this emotionally, not just as a person of color but as an American, then clearly you’re disconnected from humanity.”

Spanish-Language and African American Coverage of the 2008 Presidential Election: Methodology

Sample

For the daily newspapers and broadcasts, PEJ studied the period October 30-November 5, 2008. For the African American papers that do not publish daily, PEJ studied any issues available between October 30 and November 5. If there was no issue printed on November 5, PEJ studied the first issue published by the paper after Election Day. In print we studied the front sections of three Hispanic and African American papers — La Opinión, El Nuevo Herald El Diario-La Prensa, and the New York Amsterdam News, Philadelphia Tribune and Afro-American. PEJ compared these ethnic sources to three English-language papers — the Washington Post, the New York Times and the Los Angeles Times.

In broadcast we studied the three English-language commercial television network evening newscasts and the PBS NewsHour, Spanish-language evening newscast on Univision and election night coverage on BET. It should be noted that BET does not have nightly news programming, so the only day PEJ looked at BET was on election night.

During this period all stories that were at least 50% about the presidential election or, after the election, about the new Obama administration were captured for analysis.

Story Capture

Five of the nine papers — the Amsterdam News, Philadelphia Tribune, the Washington Post, the New York Times and the Los Angeles Times — were collected by conducting a simple LexisNexis search, which allowed us to determine the placement of each story. Since El Diario-La Prensa, La Opinión, El Nuevo Herald and the Afro-American were unavailable on LexisNexis, hard copies of the papers were obtained through Pressdisplay.com, a Web service that provides exact digital copies of each newspaper, and all relevant articles were obtained. The exception to this was the Afro-American, which was not available in hard copy. In this case, PEJ captured the website and relevant articles each day (October 30-November 5) for the newspaper. PEJ collected and studied all stories on the presidential election appearing in the front section of each paper. The papers were selected based on circulation and geographic relevance to show the differences between different markets, since Hispanic and African American newspapers do not circulate nationally.

The broadcast stories were obtained by recording the Univision and BET broadcasts on the relevant dates using PEJ’s recording equipment. English-language broadcast stories were collected from PEJ’s news index archives, which contains daily network broadcast news programs. PEJ’s normal practice is to code only the first 30 minutes of a news broadcast if the program airs for over one hour, but in the case of all broadcast sources in English and Spanish, save for the evening PBS NewsHour, all programs air for 30 minutes. In the case of PBS, PEJ coded only the first half hour.
Coding Design

Once the stories were collected, PEJ used the content analysis method employing software designed to organize the stories according to specific variables. We selected several different variables that would allow us to measure each article quantitatively and qualitatively. For this project, the English-language stories had already been coded and identified in the News Index as being on the presidential election, and PEJ went back in the database and isolated those stories and combined them with the Spanish-language and African American stories in the database. The stories were categorized by:

- program or publication
- date
- format
- story describer
- three main sources

The story describer serves the purpose of allowing us to quickly identify a story based on content and gives a brief description of the material covered in the article. The three main sources variable specifies where the reporters obtained their information from when they relied on an outside source. Quotes from politicians or activists, statistics from organizations and interviews with citizens all are considered sources.

The qualitative aspect of the project focused on examining the articles for tone, language use and any other similarities or differences found in both print and broadcast. The stories were compared to one another in their respective languages and mediums and were then compared in English and Spanish to draw comparisons.

All stories were coded in their original language.

Footnotes


5. The three Spanish-language newspapers were similar in their use of wire stories with El Nuevo Herald at the top (40%) followed by El Diario/La Prensa (33%) and La Opinión (32%)


**Hispanic**

**Hispanic Media**

*By the Project for Excellence in Journalism*

**Overview**

For the nation’s Hispanic media, 2008 had all the makings of a great year.

A population that already represents 15 percent of Americans was projected to keep growing. Hispanic television broadcasters continued to see audiences expand. Some newspapers and broadcasters made significant online gains. And in an election year, the nation’s largest minority group attracted special attention from candidates in the hotly contested — and record-spending — presidential campaign.

In the end, the year proved by no means dismal but neither did it match several years of strong growth. And the outlook for 2009 was cautious.

Several newspapers saw circulation grow, and some smaller ones expanded their markets or transformed themselves from weekly papers into dailies. Seattle’s Sea Latino launched national editions in key markets with the ambitious goal of being the “USA Today of the nation’s Hispanics.”

ImpreMedia, a group of Spanish-language newspapers, launched Impre.com, a major online news portal hoping to appeal to the growing number of Hispanics online.

And a major television broadcaster, Univision, again outperformed its English-language counterparts in prime-time programming and in news ratings in key markets. Its rival, Telemundo, enjoyed a boost in ratings and struck a deal to export programming to Mexico.

The number of bilingual media outlets also continued to grow, at least through the first half of the year, targeted at a burgeoning population of second- and third-generation Hispanics.

But there were signs of troubles, too. The three biggest Spanish-language daily newspapers all had declines in
circulation of varying degrees. And revenue declined at both major television networks. The Spanish Broadcasting System, a radio chain, was threatened with having its stock de-listed by Nasdaq. And in a year when all Hispanic media expected to be showered by ad dollars from the presidential campaigns, broadcasters did not benefit enough to make up for other losses and print received little benefit at all.

The television giant Univision headed into 2009 with challenges, although the company dodged a bullet early in the year. It settled a lawsuit by one of the largest media companies in Latin America, the outcome of which could have had a major impact on the Spanish-language television landscape. The settlement ensured that it would be able to keep the 40% of its programming that was at stake in the lawsuit.

Heading into 2009, the full force of the economic collapse remained to be seen. Especially vulnerable are the smaller, community-oriented Hispanic outlets that do not have deep capital reserves and rely on struggling small businesses for ad dollars. But Hispanic media have two advantages: they offer information in a way the mainstream media do not and many have demonstrated an ability to adapt to a culturally and linguistically diversifying population.

**Audience**

**Print**

In a year of large circulation drops for many mainstream newspapers, several major Hispanic publications were able to hold the line.

Of the three biggest dailies, two experienced slight circulation declines but not nearly the 4.6% drop experienced by mainstream newspapers in the United States.¹ The third, and biggest, La Opinión of Los Angeles, dropped considerably, something the editor attributed to a price increase.

New York’s El Diario/La Prensa, the oldest Hispanic daily newspaper in the country, had a daily circulation decline of one-half of 1 percent for the six-month period ending September 30, 2008, compared with the same period a year earlier.

The newspaper’s average daily circulation Monday to Friday fell to 52,857, compared with 53,122 in 2007. The circulation has been on a slow but steady decline since 2001.²

In Miami, El Nuevo Herald dropped slightly to 77,295 Monday to Friday, down from 77,566 in 2007.³

The third big daily, La Opinión of Los Angeles, fared much worse. After an increase in circulation in 2007, its average daily circulation fell 20% to 100,462 in the six-period month ending in September of 2008, from 124,784 in 2007.⁴

The drop was largely tied to the paper doubling the price of a single issue from 25 cents to 50 cents, a move designed to make up for the higher cost of newsprint and staff, according to executive editor Pedro Rojas. As a paper that relies solely on single-issue sales, the loss, says Rojas, could have been much worse. He said the paper’s management expects this to be a one-time loss with circulation holding steady in 2009.⁵
Some of this decline may also be related to the Southern California market. The major English-language paper in the market, the Los Angeles Times, had a decline in circulation of 5.2% during the period.

If the big Spanish-language dailies had a mixed year, the news was better among smaller outlets, although some of the numbers are un-audited. Some smaller daily papers were able to increase their circulations and expand into new markets. One hit a milestone in 2008, converting from a weekly to a daily and giving New England its first Hispanic daily.

Another daily, Al Día, in Dallas/Fort Worth, tripled its Wednesday and Saturday circulation from the year before to 120,000. Average circulation for its other publication days remained even at about 38,000. The Wednesday-Saturday growth was attributed to the expansion strategy of its parent, which also operates the Dallas Morning News, to target reader segments. 6 As part of the strategy, the Dallas Morning News is aggressively seeking targeted readerships with publications.
Al Día’s marketing director, Isaac Lasky told Portada magazine, “Being the only [Hispanic] daily newspaper in the Dallas-Ft. Worth metropolitan area we found an underserved market and advertisers told us that a larger circulation was important to reach critical mass and be able to capture this dynamic market segment.”

There were signs, however, that the universe of Spanish-language dailies was contracting. In 2007, the latest year for which data are available, the number of dailies fell to 33 from 38 the year before.

**Weeklies**

Spanish-language weeklies, on the other hand, had a more upbeat 2008 – at least before the economy soured.

But these papers also carry a lot of vulnerabilities in a bad economy. Generally, weeklies are started up in emerging Hispanic markets that are not large enough to support dailies of their own. They may also be family operations that do not have the resources to publish daily. A few are also former struggling dailies that cut back frequency.

Over all, the number of Spanish-language weeklies appears to be growing. There were 417 weeklies in 2007, the most recent figure available, compared to 384 the year before. Less-than-weeklies also increased from 346 to 377.

This continues a trend we have seen in the last few years: a decline in the number of dailies while weeklies continue to grow in number.
In 2007, the total circulation for weeklies grew by 6%, according to the Latino Print Network. Less-than-weeklies did the next best, growing by 1.6%.  

El Clasificado, a free weekly that mixes classified ads and some newswire and press release content, increased its circulation by entering new territory. The Los Angeles-based paper expanded its reach in 2008 from Los Angeles into San Diego and Ventura Counties in California. By doing so, its weekly circulation grew to 360,000, up from 270,000 in 2007.  

Siglo 21, a Lawrence, Mass.-based weekly, expanded its readership by increasing its frequency. It converted to Monday-to-Friday and became the first Spanish-language daily in New England.
Another sign of maturity is the number of papers willing to have their circulation audited, something that is important to advertisers but requires more organization and funding. This has always been an obstacle to many outlets in the ethnic press, and in 2007, the latest year for which figures are available, the number of audited dailies fell by three in 2007 after growing by one the year before. The total number of weeklies participating in audits rose to 127 in 2007, up from 112 in 2006 and 104 in 2005. 12
Future Outlook

What do the circulation trends mean for Hispanic papers? Compared to the overall drop in traditional daily print circulation, posting only small declines is seen by many as an achievement.

But in the context of the changing Hispanic population, the dailies still may face a problem: Native-born Hispanics now outnumber Hispanic immigrants in the U.S. Native born second- and third-generation Hispanics are more likely to speak and read English, use the Internet and, like those in other demographics, are getting more of their news online. For now, a majority (60%) of the native-born is under the age of 18, but as they age, their impact on the survival of Hispanic publications is likely to grow.

Pedro Rojas, the executive editor of La Opinión in Los Angeles, says that despite these changes in the population, Hispanics as a group still consume news in Spanish because "mainstream media do not cover Latino issues as well as Hispanic publications, and that is one of our strong points." With his experience in Los Angeles, one of most established Hispanic communities in the U.S., he says he is convinced that "the number of Spanish-preferred readers is still strong
enough to sustain a daily publication." 13

The three major Hispanic dailies have boosted or initiated an online presence, and more papers have begun to see the value of appealing to an audience in both online and in print. ImpreMedia is the model for Hispanic print here, and in 2008 launched a web portal combining all of their newspaper content in one site.

Weeklies, on the other hand, have continued to grow with the new pockets of Hispanic communities across the country. Weeklies are often the first type of paper to emerge and historically have been more likely to serve immigrant populations. Eventually, if the market was strong enough, the weeklies would segue into dailies. Examples of this are Hoy in Chicago and Siglo 21 in Massachusetts.

Now, Kirk Whisler of the Latino Print Network, a firm that studies and facilitates ad buys for hundreds of Latino publications, suggests, that may be changing. The growth in number and circulation of weeklies represents, Whisler says, a trend “away from strong dailies in key markets and toward many more quality weeklies. Weeklies may be becoming a better fit for people’s media habits.” In addition, the fast-paced news of the Web may be less of a threat to a publication that takes a longer look at news.

One thing that could slow the audience growth of weeklies is slower rates of immigration. Although it is uncertain whether immigration from Latin America has decreased, the Wall Street Journal reported that data from the Census Bureau showed that “the decline in the economy coupled with a government crackdown on illegal immigration is dramatically slowing immigration to the U.S.” 14

Television

Ratings showed continued demand for Spanish-language television programming amid a Hispanic population that is diversifying in both language preferences and cultural identity.

Univision and Telemundo, the two major competitors in the Spanish-language broadcast arena, each saw their audience grow in 2008, although they achieved that success with different strategies.

Univision, the bigger of the two Spanish-language networks, tends to heavily favor Spanish-language programming imported from other countries. In recent years, Telemundo, owned by NBC, began exporting its programs to Mexico, marking a major change in the flow of Spanish-language television programming. The network has focused more on producing original programming in the U.S. to reach the growing population of U.S.-born Hispanics. Telemundo news anchors also appear on parent company NBC’s news programs. 15

Each strategy appears to have its advantages.

Univision

Univision showed impressive ratings numbers in 2008 during the two most important sweeps periods, May and November, beating some of the big English-language networks on many nights during prime time in markets with high Hispanic populations.
In those markets, Univision beat out one or more of the four major broadcast networks during primetime 26 out of 27 nights of the May sweeps, according to data from Nielsen Media Research. The network ranked as the most-watched network out of all major networks (regardless of language) among adults aged 18 to 34 four nights during May sweeps. It also increased its prime-time audience aged 18 to 34 from the same period the previous year by 3%, to 1.23 million in 2008 to 1.19 million in 2007.

Univision’s news programs were a part of that success. Its news magazine increased its audience, its national news program was ranked high in Los Angeles and New York, and the local evening news in Los Angeles continued its long streak of beating out the English-language news. Univision’s news magazine show, Aquí y Ahora, garnered its most impressive performance to date during May sweeps. Ratings were up 19% among all viewers in 2008 from the same period in 2007.

November, generally the biggest month for television ratings, also brought Univision success in the local market of Los Angeles. Univision’s local Los Angeles station, KMEX, was the top-ranked station in any language in prime time for adults for the 19th consecutive sweeps period and its local news program was ranked the top local news program.

Univision’s national network also performed well in Los Angeles during the November sweeps. Its national news program Noticiero Univision was the most watched nightly news program.

By the end of 2008, KMEX in Los Angeles was the No. 1 most-watched station in the country among viewers age 18 to 49, regardless of language.

The success in ratings for Univision in its news and prime-time programming is tied to the growing Hispanic population, which continues to demand culturally relevant Spanish-language programming like the popular telenovelas (melodrama series) as well as news from a Hispanic perspective. But the ratings increases are also partly a result of Nielsen’s decision in 2007 to drop its separate Hispanic rating system, according to some industry observers.

Before the decision, Nielsen ratings counted Hispanics separately from the general market. Under the new system, Hispanic homes are now counted as part of Nielsen’s general sample.

“We’re finally able to look at the delivery of the Spanish-language TV programs and how they deliver nationally in the U.S., regardless of language,” said Isabella Sanchez, senior vice president of Tapestry Partners, a multicultural marketing firm.

Telemundo

Telemundo, a unit of General Electric’s NBC Universal, also enjoyed strong viewership growth in 2008. The company reported that Telemundo had posted its best November ratings performance in 16 years among total viewers in weekday prime time. The network reached 1.2 million total viewers for the period, a 27% increase from the same period in 2007, according to Nielsen. With these ratings increases, the network tagged itself 10 weeks into the 2008-09 season, as the “fastest growing Spanish-language network this season.”
Earlier in 2008, the network had a boost in ratings that it attributed to NBC’s broadcast rights to the Beijing Olympics. The network’s ratings jumped more than 20% during the Games. 24

The Spanish-language network drew 12 million viewers during the first 10 days of the Olympics. That included 380 hours of coverage it produced and 24-hour coverage online at OlimpiadasTelemundo.com. 25

Future Strategies

There is debate over which of the two major networks’ strategies will succeed in reaching their audience as the Hispanic population continues to grow and diversify into new segments. In the end, the success of the two networks will depend upon how each adapts to the changing population and it makes use of advances in media technology.

Now that the Hispanic population comprises more U.S.-born Hispanics than immigrants, Telemundo’s strategy of focusing more original programming for second- and third-generation Hispanics has obvious logic.

“If you’re born here, you don’t have the same affinity for the home country,” Julio Rumbaut, a Miami-based media consultant, told Broadcasting & Cable in 2007. “That’s why U.S.-produced programming is much more appealing to that demographic. It reflects people’s lifestyles.” 26

Telemundo argues that it is the “only Spanish-language network to air four consecutive hours of original content in prime time Monday through Friday.” 27 In 2008, Telemundo announced a partnership with TV Globo, a Brazil-based Spanish-language content provider. Under the agreement, Telemundo Studios in Colombia is to produce the telenovela El Clon and have exclusive broadcast rights for the U.S. and Puerto Rico. 28

Telemundo also has a bilingual cable channel and sister website, Mun 2 and holamun2.com, to target younger bilingual and English-speaking Hispanics. The channel and site often use Spanglish, the melding of English and Spanish in its original programming. The cable channel was launched in 2001.

On the other hand, Univision’s size and reach may allow it to continue to dominate, and it has shown some signs of adapting to the changing demands of the Hispanic market.

In 2008, Telefutura, a broadcast television network owned by Univision, premiered an original telenovela made in Colombia. 29 In 2007, Univision also took steps to create original programming targeted at U.S Hispanics, signing an agreement with Disney-ABC International Television Latin America to create a Spanish-language spinoff of the prime-time hit “Desperate Housewives.” 30 In the same year, Univision teamed with Nuyorican Productions to create an original miniseries produced by Jennifer Lopez called “Como Ama Una Mujer” (How A Woman Loves).

But with the population picture changing, if Univision continues to rely on mainly imported programs, some in the industry have said that the network could face challenges.

“While Hispanics are becoming bilingual and are increasingly likely to watch English-language TV, Univision is in danger of losing viewers with a schedule that is composed nearly entirely of Mexican programming,” Broadcasting & Cable reported in 2007 shortly before Univision’s sale was completed. 31
Radio

For the last several years, Hispanics have pretty evenly divided their radio news listening habits between English- and Spanish-language programs. Spanish news/talk stations still attract more total audience, but it dropped slightly in 2007, while the audiences for English-language stations remained steady, according to Arbitron.

In 2007, the latest year for which data are available, Spanish news/talk stations attracted 1.7 million listeners per week. This amounted to 3.3% of all Hispanics who listen to radio and was down slightly from 3.5% in 2006.

English-language news/talk stations accounted for 2.5% of Hispanic listening, a figure that remained level with 2006.

The number of stations offering news/talk format in Spanish, however, still managed to grow slightly, from 61 in 2006 to 63 in 2007.

Weekly Spanish vs. English News/Talk Radio Listening

2006 & 2007

Design Your Own Chart


*Arbitron began measuring Hispanic News/Talk radio listening in English in 2006.
But further declines in listening may follow if immigration slows and English usage grows among American Hispanics. Another challenge is aging demographics. A greater portion of Hispanic listeners to Spanish-language news/talk is 65 or older (31% for Spanish-language news stations versus 21% for English-language news stations). This could be a sign that the format may struggle to attract younger listeners, who are bilingual or speak only English and are less likely to listen to talk radio than older generations.

The most popular format of all? Mexican regional music, which attracts 21% of all Hispanic listeners.

One of the biggest issues in radio in 2008 was Arbitron’s unveiling of the portable people meter for measuring audiences. The new system encountered stiff opposition from many urban radio stations catering to black and Hispanic listeners after test periods for the devices showed sharp drops in ratings for some of those stations. Many radio executives of urban radio stations said the new system underrepresented minorities and were concerned that the lower ratings would make it more difficult to attract advertising dollars.

New York State Attorney General Andrew Cuomo sued Arbitron in October over the ratings system's representation of minority listeners after the company released preliminary ratings to radio stations in New York, one of the test cities. Early in 2009, Arbitron settled the Cuomo lawsuit. Under the terms of the agreement, Arbitron said it would fix flaws in its methodology, pay $260,000 to settle claims and contribute $100,000 to minority broadcasters. Arbitron was also required to fund a study to remove any bias from the ratings system by adjusting its samples to be more representative of minority listeners. If the company fails to make the changes, Cuomo has the option to reinstitute it by October 15, 2009.

Economics

In a difficult year, the financial results for Hispanic media offered a conflicting picture.

Some experts think Spanish-language media may actually be better insulated from the economic turmoil than general media. First, the Hispanic population is expected to continue growing despite trends showing a short-term slowdown in immigration. Also, advertising in Spanish-language media is generally cheaper than in general market outlets and allows advertisers to reach those who prefer or speak only Spanish, a market most mainstream media do not capture. These things combined make some Hispanic marketing executives think that they and the media they represent will be able to get through the financial crisis and its fallout with only minor damage.

But if major advertisers do pull back ad dollars, “The Hispanic market will suffer sooner,” said Al Cruz, communications director of Mediaedge:cia Bravo, a Hispanic media firm. “Because our budgets are significantly smaller, we may see it sooner or faster than the general market will.”

Early indications for 2008 are not encouraging. Ad spending in Spanish-language television, newspaper or other media, was up a mere 1.5% during the first half of the year, according to Hispanic Business magazine. That compares with double-digit annual growth in recent years. And the 2008 numbers do not account for the effects of the financial crisis that worsened in the second half.
One thing in 2008 was clear: The financial results for Hispanic media offered less positive news than did audience information. Revenues started out strong for the year but then dropped markedly in the third quarter when the financial crisis came to a head. And ad sales from political advertising, especially from the presidential candidates, although plentiful, did not live up to the expectation that they would make up for the losses elsewhere.

Print

The economics of Hispanic newspapers were mixed in 2008 and looked troubled going into 2009. And some of the biggest publications were already mainly trending downward in revenues. 37

The results varied, depending in part on the regional economy, because Spanish-language print outlets rely more on regional and local advertising dollars than on national sources. Publications in places suffering more from the housing slump reported declines as early as the second and third quarters of 2008. Those in other areas reported slight increases in ad revenues. 38

And all that was before the economy fell in September.

Revenue

Although comprehensive figures were not available at press time, there was evidence that Hispanic newspaper revenue took a hit in 2008.

The trade publication Portada surveyed publishers and concluded in its September 2008 issue that the degree of impact varied by market.

“Markets in which the real estate crisis has hit particularly hard (Florida, Nevada and Arizona), have had a substantial decrease in economic activity,” the magazine said. “The real estate crisis has hit them in two ways: On one hand, due to the lower economic activity (particularly in ‘Hispanic intensive industries’ such as construction) general advertising spending has decreased. On the other hand, real estate display and classified advertising, an important source of newspaper revenue, has plummeted.” 39

This follows a difficult 2007, a year in which total newspaper revenue had dropped by 2% to $1.200 billion from $1.222 billion in 2006. 40

Dailies were hit hardest in 2007. Their revenues were estimated to total $709 million in 2007, down 2.3% from $726 million the year before. 41

Weeklies also suffered. Their revenues dropped 1.6% to $444 million, from $451 million in 2006. The one category that increased in revenues in 2007 was the less-then-weekly paper. They posted revenues of $47 million in 2007, up slightly more than 4% from $45 million. 42
Where were the declines in Spanish-language print coming from?

Declining circulation revenue made up most of this in 2007.

For 2008, ad revenue declines are expected to be the bigger part of the slide. Car dealerships and real estate brokers who provide local ad dollars for weeklies were forced to cut back as the housing market slumped and the U.S. auto industry struggled through tough times. National advertisers, too, cut ad spending.

“The drop in revenue at the newspaper was due chiefly to a decrease in ad dollars,” Pedro Rojas, the executive editor of La Opinión, told PEJ. When asked about the economic outlook for the paper in 2009, he said, “Every day we have a different outlook. Right now we’re playing it by ear and discovering new ways to be efficient.”

Looking at the specific dollar figures for 2007, that last year for which data is available, overall circulation revenue fell 15%. Total ad revenue for Hispanic papers over all fell about a half a percentage point in 2007.
The declines came in both national and local advertising, affecting both dailies and weeklies.

Spanish-language dailies tend to rely more on national advertising than other Hispanic papers. About 17% of their ad revenues were from national advertising in 2007. Local and regional ad dollars are still a larger source of income. 46

Weeklies, which depend more on local advertising, had enjoyed advertising growth in 2007, but that was largely a function of there being 33 more weekly papers than the year before. Ad revenue grew at a rate of 0.7% in 2007. 47
Less-than-weekly papers had been the strongest factor in Spanish newspapers heading into 2008. It was the only Hispanic print sector that had an increase in total revenues for 2007, up 4.4% to $47 million in 2007, according to the estimates from the Latino Print Network. 48

They also had an increase in total ad revenues and held their circulation revenues steady. Less-than-weeklies added 31 papers in 2007, up to 377 in 2007 from 346 the previous year. 49

Looking Ahead in Print

What does 2008 imply for the future? One question is whether national advertisers, having likely cut back on spending in Hispanic media, would look to capture segments of the Hispanic demographic in their general, English-language advertisements. This could result in fewer ad dollars for Hispanic papers even farther into the future.

There are mixed opinions of that strategies’ success. Salvatore Cavalieri, president and CEO of Cilantro Animation Studios, wrote in TV Week that appealing to Latinos through mainstream ads works sometimes. “Despite the many cultural differences, common ground does exist,” he said. “In fact, some Hispanics may very well respond to the same media campaigns designed for the general Anglo population. Confused? Don’t be. Instead, recognize the key factor that absolutely must be measured while planning a marketing blitz: acculturation” 50
On the other hand, Cavalieri pointed to the need for marketers to appeal to the diverse segments of the Hispanic population, saying: “Leaders of the dynamic, illustrious and diverse Hispanic populace have a message for Anglo corporations: When you come calling with your hand out, be prepared to offer more than just ‘Hola!’ ”

Top Hispanic Advertisers in Print

In 2007, the last year for which there are data, 7 of the top 10 spenders in Hispanic media over all reported a decline in ad spending in Hispanic outlets. Verizon, Univision and AT&T, for example, all cut their buys from Hispanic media. When asked why the decline for 2007, Ad Age’s Laurel Wentz said that the declines were not yet reflective of the economic slowdown and that year-to-year fluctuations in ad spending in Hispanic media were common.

It had been expected that advertising spending numbers would have been augmented by campaign ad spending in the presidential and Congressional elections. As it turned out for print, campaign spending was not as plentiful as expected or hoped for. In Florida, during the week of September 8, McCain spent $1 million and Obama spent $1.3 million on Hispanic television. Latino newspapers were not so lucky. El Nuevo Herald in Miami reported that ad spending by both parties dipped following the primaries, while the bilingual Hispania News in the political battleground of Southern Colorado said it had run one ad for Obama and none for McCain as of Sept. 18, although editor Robert Armendáriz told PEJ that toward the end of the race, the Obama campaign ran more ads, but declined to give specifics.

Television

The year 2008 started off relatively strong after a year of growth in 2007. But as the year went on, the situation deteriorated and it looked like the effects of the financial crisis were seen faster in broadcast than elsewhere. In the second quarter of 2008, ad revenue from both local and national Spanish-language television stations declined from the same period the previous year, even with the ad revenue from the presidential candidates.

For the second quarter year to year, Spanish-language television experienced a 3% decline in ad revenue, Broadcasting & Cable reported. Total dollars fell to $1.247 billion from $1.287 billion in 2007 and the trend was expected to continue into 2009 in light of the difficult economy.

One anonymous media buyer told Broadcasting & Cable, “Most advertisers have pushed back decisions on first quarter 2009 to the end of the month to give them more time to figure it out.”

Political Advertising in Hispanic Television

When the year began, Univision, the leading Spanish-language broadcast network, estimated it would end up attracting at least $20 million in political ad spending. Entravision, a smaller Spanish-language media company based in Santa Monica, Calif., that operates some Univision affiliates and also owns and/or operates 51 television stations and 48 radio stations, projected that political ad sales would double to $12 million from the 2004 election.

As the primary season got under way, with the party nominations still hotly contested, those projections looked on target. Entravision reported $1.5 million in political ad spending for the first quarter of 2008, which was double the same period in 2004. Telemundo also garnered record political spending during the primary season, although the company would not release specific figures.
Whether the campaigns ultimately met Spanish-language media's expectations was unclear. For the general election battle, neither campaign would release final ad spending numbers on Hispanic media. But the two states with the biggest Hispanic populations — Texas and California — were not battleground states, which usually translates into less advertising. Other evidence, though, suggests that spending remained high, indeed higher than in any past election cycle with the bulk of it coming from the Obama campaign. In late October, the Miami Herald reported that in 2004, the “Republican and Democratic presidential campaigns combined spent $8.7 million on Spanish-language television advertising.”

The paper also reported that during the primary season, the Obama campaign spent $20 million on Hispanic outreach, which included ad buys. Campaign insiders told the paper in the general campaign that Barack Obama would “meet or surpass that figure by Nov. 4.” While total dollar figures were not available, looking at the ads themselves clearly suggests a commitment to this ethnic group.

In late October, Obama released a Spanish-language ad that featured him addressing Hispanic viewers in Spanish. And Obama broadcast his 30-minute infomercial on Univision, along with Fox, CBS and NBC.

“Buying a half-hour on Univision is like putting a Spanish-language ad on the Super Bowl. It almost doesn’t matter what you say because the main message is to say ‘I know you’re there and I recognize you,” said Roberto Suro, a founder of the Pew Hispanic Center and a journalism professor at the University of Southern California.

As the campaign wound down, the Republican National Committee made a last-minute ad buy of Spanish-language television in Miami for $500,000 independently from the McCain campaign. Because John McCain used the public financing to fund his campaign, his ad dollars were not as plentiful as Obama’s. A study by the Advertising Project at the University of Wisconsin found that between September 28 and October 4 in the key battleground states of Colorado, Florida, New Mexico and Nevada, which all have substantial Hispanic populations, Obama outspent McCain in every one of them.

Univision

Despite strong political ad spending, the second quarter of 2008 was less than stellar for Univision, the leading Spanish-language broadcaster. And it was clear by the third quarter, after the economic crisis was in full swing, that the faltering economy would affect even the strongest of Spanish-language broadcasters. Some of it was due to the financial crisis. But Univision’s own debt and legal issues complicated the picture.

Univision reported a 4.3% decline in net revenue for the second quarter of 2008 from the same period the previous year. Nevertheless, Univision’s CEO, Joe Uva, remained optimistic, saying that “the first six months of 2008 have kept pace with last year’s comparable six-month period despite challenging economic conditions.”

But by the third quarter, the downhill slide continued and was expected to extend at least through the beginning of 2009. By September 30, the company posted a $2.9 billion net loss and revenue dropped to $511.3 million from $524 million a
year ago, a 2.4% decline. "Univision, like every broadcaster, is going to be taking a very hard look at all of its expenses. We are preparing for a pretty tough recessionary environment," Univision's chief financial officer, Andrew Hobson, told the Los Angeles Times.

The company's third-quarter report also showed an alarming decrease in ad spending that reflected the impact of the financial troubles throughout the U.S. auto industry. The company's television and radio divisions reported a 25% decline in auto advertising in the third quarter compared to the year before.

Declines in revenue and ad dollars for Univision were not the only economic concerns going into 2009. Univision's acquisition last year by a group of private investors for $12.3 billion left the company with $10 billion in debt, according to the Los Angeles Times. In addition, Univision had to pay off the $385 million balance on a previous loan. The plan was to pay off the balance of the loan through asset sales, but the economic crisis intervened, and Univision assets were selling for less than expected.

Also impacting expenses for 2009 was the settlement of a lawsuit filed by Mexican media giant Grupo Televisa, which provides 40% of Univision's programming. After Televisa sued over royalties, Univision settled, agreeing to pay $25 million in back royalties and increasing the licensing fees it pays for future programming.

But 2009 will test the company's ability to pay off its debt while sustaining losses in advertising revenues as a result of the economic climate.

Some experts think that despite the financial issues in a rough economic climate, Univision is still in a unique position to come through the recession in good shape because its multiplatform success gives advertisers so much.

Felix Contreras of National Public Radio reported: "Univision represents access not only to the No. 1 Spanish-language broadcast network, but also the dominant cable network, more than a dozen of the top radio stations in the country, and the No. 1 Spanish-language website."  

Also, Alan Albarran, director of the Center for Spanish-Language Media at the University of North Texas, said: "Univision is, no question, in the best position to weather this storm. And if you're an advertiser and you want to reach the Spanish-language market, Univision is still your best vehicle to place. It's just your number of ad dollars may be reduced or they may be cut back in terms of what you'd normally like to invest if the market was at its full strength."  

Telemundo

Getting precise financial figures is difficult. NBC does not break out Telemundo results, but anecdotal evidence suggested that Telemundo fell short of its 2007 earnings. The New York Times reported that the network was able to increase its revenues for five straight quarters and, as of March 2008, accounted for 20% of NBC Universal's revenue.

The problems of 2008 also come after a run of strong growth. According to an October report in the Los Angeles Times, Telemundo experienced its most profitable year in 2007, earning $65 million, according to two people familiar with the company's finances quoted by the paper. However, the sources said Telemundo was expected to fall short of its target
for 2008, earning about $40 million. The reason for this was unclear, and Telemundo is tight-lipped about its finances. But the weakened economy may offer an explanation. 73

The financial pressures of 2008 also led to cutbacks in Telemundo’s staffing. The broadcaster announced that it would pare its payroll by 5%, or about 85 jobs.

The long-term vision behind these cuts was unclear. The announcements from the company remained vague. “The broadcast business is being challenged,” Telemundo’s president, Don Browne, said. “We are proactively and strategically making some adjustments to protect the larger company so that we can weather this period.” 74

Local television station revenues were especially hard hit, according to the Los Angeles Times, in two key markets for Telemundo — Los Angeles and Miami. This was due mainly to decreases in advertising dollars from car dealerships and retailers that struggled in the worsening economic climate.

Telemundo had made strategic shifts in recent years, concentrating on producing its own programs and selling them internationally, investing in a youth-oriented cable channel and expanding its mobile reach to capitalize on Hispanic’s high rates of use of cellphones and PDAs. In the first half of 2008, Telemundo introduced a new strategy to “integrate advertising across broadcast, cable and digital assets.” 75 This means the network would make it easier for advertisers to reach the Hispanic audience across the three media.

The company also negotiated a digital distribution deal with Grupo Televisa, the large Mexico-based Spanish-language media company and principal supplier of Univision programs from Mexico. This would not only allow Telemundo to distribute its original programming on Mexican television stations owned by Televisa, but would allow the distribution of Telemundo content across the digital and mobile platforms as well. 76

Univision’s complicated financial position, the tightening economy and the moves by Telemundo could open the door for the broadcaster to gain ground on its main competitor, but the lack of specific financial information makes it difficult to predict what the future looks like for Telemundo.

Radio

Spanish-language radio had the worst results in 2008 among Hispanic media.

The three major distributors are Univision, the Spanish Broadcasting System and Entravision. Of these, Entravision and Univision were able to close the year with relatively minor losses, but the Spanish Broadcasting System had major financial difficulty.

Univision Radio, which acquired the Hispanic Broadcasting Corporation in 2003 and now owns and operates 70 stations in the top Hispanic markets throughout the country, has pursued a strategy of buying English-language stations and converting them to Spanish. 77 Univision Radio is the highest-ranked Spanish language radio group in the U.S., the company says.

In the second quarter of 2008, Univision Radio’s net revenue was down slightly from the same quarter last year, down to
$111.9 million from $112.3 million, a slight decrease. The losses worsened in the third quarter. In 2008, net revenue fell to $102.6 million from $105.9 million in 2007, a 3% decrease.

By September, profits dipped at both Entravision and the Spanish Broadcasting System, and the stocks of both companies neared 52-week lows in September, George Szalai reported in the Hollywood Reporter.

Entravision, which owns dozens of radio and television stations across the country, looked as if it would weather the storm. “Our third-quarter financial results were impacted by the economic environment and related advertising slowdown across the majority of our markets,” Walter F. Ulloa, the chairman and C.E.O., said in a press release. “We have taken steps to reduce our costs and operate as efficiently as possible in an effort to maximize our cash flows, without sacrificing the quality of our content or marketing efforts…. We believe we are in a solid position to capitalize on our market leadership when the economy recovers.”

At the end of the second quarter in 2008, Entravision reported a drop in net revenues for its radio division, which continued through the third quarter. During the second quarter of 2008, net revenues for Entravision radio dropped to $24 million from $26.2 million the prior year, about a 9% decrease. Net revenue in the third quarter for Entravision’s radio segment also fell from the previous year. Net revenue for radio dropped to $23.5 million in 2008 from $24.2 million the same period 2007, a 3% change.

The outlook for the Spanish Broadcasting System going into 2009 was uncertain at best. But the company had expected declines in its radio operations as it expanded its online and television operations. The company operates 21 radio and 2 television stations.

The company reported major and consistent drops in revenues throughout 2008. For the second quarter, its revenues were down 6% from the same quarter in 2007. By the third quarter, that percentage doubled. At the close of the quarter, the company reported revenue of $41.3 million down from $46.2 million the same quarter last year, a 12% drop.

The Spanish Broadcast System repeatedly closed below the $1 per share minimum required by Nasdaq, putting the company’s stock at risk of being delisted. The company was not able to increase its share price, but avoided being delisted in October when Nasdaq suspended the delisting because of “extraordinary market conditions.” The company has until May 26, 2009, to comply with Nasdaq regulations. The company also paid off an $18.5 million note early.

“Our third-quarter financial performance reflects the impact of a slowing economy and an industry-wide weakness in advertising demand, offset in part by strong growth at MegaTV,” its chairman and CEO, Raul Alarcon Jr., told the South Florida Business Journal. MegaTV was begun as a local station in Florida in 2006 and sought to compete with the Spanish-language television broadcast giants Univision and Telemundo. The station has made progress in its local market and secured a deal with DIRECTV in 2007 that allowed it to be broadcast nationally on a DIRECTV channel.
Ownership
Print

Although economic conditions had been shaky throughout 2008, the first half of the year resulted in some gains for Hispanic print that helped it push through the tough second half. One local paper decided to nationalize and hoped to become the USA Today of Hispanic print. Another paper was begun in South Florida. New England got its first daily Spanish-language paper. And ImpreMedia reorganized the Rumbo newspaper chain in Texas, ending print editions in San Antonio and the Rio Grande Valley but doubling circulation in Houston. 91

By the end of the year, however, ImpreMedia had stopped printing Hoy New York, which it had bought it from the Tribune Company only a year earlier. It, along with Rumbo’s San Antonio and Rio Grande Valley papers, now exists online only. Other publications, like El Universal Gráfico in Atlanta and Tu Ciudad in Los Angeles, folded, unable to overcome economic troubles. 92

Early in 2008, the National Media Group in Seattle teamed up with Jose Quintero, the head publisher of the paper Sea Latino to start a national version of the weekly paper. The free paper began with editions in Seattle, Los Angeles, Houston, Chicago, South Florida and New York. 93

“Sea Latino maintains its solid and unique image and format in all of the markets it reaches. It is a truly national newspaper that also includes local content,” Quintero said. “We like to think of it as the USA Today for Hispanics.”94

The paper started six years ago as a Seattle-based Spanish-language weekly. In March 2008 it joined with National Media Group to launch as a national paper. As of the end of September it had expanded to 11 of the 12 targeted markets. 95

By 2010, the paper set the ambitious goal to be in the top 26 Hispanic markets and increase its circulation to 1.5 million copies a week. 96

The paper has four sections — two national and two local. The contents of the national sections of the paper are the same in all markets, and the local sections are tailored to the specific markets.

Sea Latino employs local reporters, although executives declined to say how many people it employs. The national paper underwent its first independent audit in 2008 by the Circulations Verification Council and reported an overall weekly distribution of 172,950 copies in the six original markets of Los Angeles, Houston, South Florida, Seattle, Chicago and New York.

Christian Tang said in an interview with PEJ that Sea Latino’s business model is carefully tailored to Hispanic consumers and is efficient during difficult financial times.

By having a national network of papers, “advertisers only need to deal with one contact, one paper to place their ads in top Hispanic markets,” Tang said. 97

The launch of a free Spanish-language newspaper in the South Florida area also demonstrated some international interest in reaching the U.S. Hispanic market. The London-based Express Media International launched Express News, a Hispanic-focused weekly newspaper in several Florida markets in June. 98
The paper began with a distribution of 40,000 copies and a website. 99 According to Portada magazine, the company, which also has Spanish-language papers in the United Kingdom and Spain, was prepared to use its international resources to get the South Florida edition off the ground. Carla Mena, general manager of the U.S. edition, told Portada magazine that the company had 50 to 60 people working on the project and added, “We have journalists in every country in Latin America; besides that, we have teams working in U.K., Spain, Colombia and U.S.A.”

Spanish-language newspapers reached a milestone in New England in 2008. The region got its first Spanish-language daily newspaper when Siglo 21 converted from a weekly to a daily. It is based in Lawrence, Mass.

Siglo 21 is owned by Víctor Manuel González Lemus and says that it has a pluralistic philosophy that takes in “the diverse opinions of all democratic thought” in its opinion pages. The paper features articles that reflect different points of view and expresses its position in the editorial section.

ImpreMedia, a corporation of newspapers and magazines that has grown in size and influence in recent years, remained quiet throughout most of 2008 until it announced that it had decided to reorganize the Rumbo newspaper chain in Texas that it purchased from Meximerica Media in 2007. The company decided to suspend printing of the paper in San Antonio and the Rio Grande Valley (the two papers had a circulation of 25,000 copies each) and double its circulation in Houston from 50,000 to 100,000. The papers still had a home online. A senior vice president, Monica Lozano, pointed to the faltering economy as the reason for the change and said that “advertisers, consumers and readers are going to digital.” 100

If more Hispanic papers follow suit and forgo print editions for lower-cost digital products, one question heading into 2009 is whether the papers will be able to retain the same readership numbers, as Latinos over all tend to have lower rates of Internet usage than other demographic groups.

**Television**

The two major Spanish-language broadcasters, Univision and Telemundo, took major steps in 2008 to position themselves for growth.

Weighed down by increasing debt, Univision continued to sell off its stations, although it avoided a crisis when it settled a lawsuit with its major program producer, Grupo Televisa, a Mexican company, over licensing fees.

Televisa provides 40% of the programming that airs on Univision stations, including some of the most popular telenovelas. In 2004, it sued Univision for allegedly failing to pay $122 million in royalties and demanded to be released from its contract obligations to provide shows to Univision through 2017, which would have hurt the network severely.

After three weeks of testimony in early 2009, the two sides settled. The agreement called for Univision to keep getting the programming but pay more in licensing fees, plus $25 million in disputed back royalties. It will also provide $65 million worth of free advertising time to its Mexican partner.

The settlement was a fraction of what was demanded and amounted to a catastrophe averted for Univision.
Univision in 2008 also continued to make progress on its decision to sell many of its assets, including television stations, cable, local radio and online, and as of the end of July, 75% had been sold. According to Media Week’s John Consoli, Univision outpaced itself from last year, selling off its platforms at a “rapid pace.” 101 Part reason for the quick sales may have to do with the buyout by private equity group led by media mogul Haim Saban that left the company with $10 million in debt, with another large debt payment coming up in early 2009. 102

Although the sales were going well through the middle of 2008, the Los Angeles Times reported later in the year that “since then, the economic climate has deteriorated, credit markets have seized up and sales of Univision assets, including its music labels, have been slow or have not generated as much money as Univision had anticipated.”

While Univision struggled to sell off pieces of itself, Telemundo took big steps to expand its reach that could shift the Hispanic media landscape. It negotiated a partnership in March 2008 with Grupo Televisa. The arrangement means Telemundo will partner with Grupo Televisa, Mexico’s largest television company and the largest media conglomerate in Latin America. Televisa will air shows produced by Telemundo in Mexico.

The New York Times reported, attributing the information to executives: “The deal will initially include only limited Telemundo programming on the Televisa broadcast station, probably only a group of the company’s telenovelas. But the new cable network will offer an opportunity for other programming, including news, to reach the Mexican audience.” 103 Initially, Telemundo would provide limited programming on Televisa’s broadcast station. Televisa has provided much of Univision’s programming, especially its popular telenovelas.

The deal also helped Telemundo to continue to differentiate itself from rival Univision by exporting its programs to Mexico and other Latin American countries, rather than importing them from Latin America, as is Univision’s modus operandi.

Digital

In 2008, some of the biggest names in Hispanic media made efforts to tap into the growing online Hispanic market. Hispanics over all have lower rates of Internet usage. But certain growing segments of the population—the young, U.S.-born, bilingual and more educated Hispanics – use the Internet at much higher rates. ImpreMedia, a large conglomerate of Hispanic newspapers, launched a comprehensive Web portal that combined all of its newspapers online, impre.com. And Telemundo, one of the top Spanish-language broadcasters, made moves to combine its digital media and mobile properties to create a new digital media and emerging-business division.

The ImpreMedia Web portal, launched in 2008, brings together all of the publications under the ImpreMedia umbrella, including La Opinión, El Diario/La Prensa and the Rumbo newspaper chain in Texas. The portal not only functions as a news and information site; it also allows users to have “access to multiple channels, including sports, entertainment and lifestyle and will be able to network with other users through video and photo galleries and blogs.” 104

ImpreMedia also sought to attract online Hispanics during the presidential election Campaign. In a year where the Internet played a big role in the campaign, the company partnered with social networking pioneer MySpace to present the presidential and vice presidential debates for Hispanic audiences through live Web streaming. 105
Impremedia aired the debates in English and also provided a real-time Spanish translation.

Numbers for top Hispanic websites by traffic are difficult to come by and mostly unreliable. But if ad dollars are any indication of a site’s popularity, in 2007, the top five Hispanic news websites by ad dollars spent in the U.S. were Yahoo! Telemundo, Univision.com, StarMedia.com (Mexican), MSN Latino and AOL Latino. 106

Over all, Hispanics lag behind other races and ethnicities in Internet usage, but this is changing as the population of younger generations and U.S.-born Hispanics grows. The ethnic media as a group has been slow to make the online jump, but the 2008 online developments signaled at least the beginning of a shift by some of the more established newspapers and broadcasters trying to reach Hispanics on the Internet.

Research shows a growing consumption of online news sources by Hispanics, especially among the more educated, bilingual and young. In a report released in 2007, the Pew Internet & American Life project found that 78% of English-dominant Hispanics and 76% of bilingual Hispanics used the Internet. Seventy-six percent of U.S.-born Latinos went online and 89% of Latinos with a college degree used the Internet, compared with 91% of whites with college degrees. 107

However, as a group, the report showed that 56% of Hispanics over all used the Internet. These data have remained on track with the most recent 2008 data, which show that 74% of the general adult population of the U.S. uses the Internet. 108

Hispanics were just slightly less likely than whites to have read news online yesterday and more likely than blacks to have done so, according to the 2008 Pew Research Center for the People & the Press survey. Twenty-six percent of Hispanics said they read news online yesterday compared with 30% of whites and 21% of blacks.

The survey also found that Hispanics were just as likely as both blacks and whites to read blogs on news and current events, and that whites were more likely than Hispanics to report they never read blogs for news and information. 109

One thing to watch for in 2009: The role the economy plays in forcing the hand of Hispanic newspapers to make the online jump. Because of the lower cost of production, some publications may decide to follow suit with the Rumbo papers in San Antonio and the Rio Grande Valley. In 2008, the papers dropped the print version and moved completely online. The lower costs associated with maintaining publications online make the Internet option attractive to some segments of Hispanic media targeting specific segments of the population.

**Demographics**

Hispanics represent the nation’s largest minority group, and projections show further growth despite an expected slowdown in immigration.

In 2007, there were an estimated 45.5 million Hispanics living in the United States, representing 15% of the population. They were widely dispersed across the country, but most concentrated in the major urban areas, California, Florida and the Southwest.

The Pew Hispanic Center predicts that the number of U.S. Hispanics will triple by 2050 and grow to 29% of the country’s
population. Most of the growth is expected to come from continued immigration. The projections call for an additional 67 million immigrants from all over the world and 50 million births from those immigrants.

Estimated Population Growth

![Graph showing population growth from 2005 to 2050 by race/ethnicity.]

Despite this growth, the challenge to Hispanic media is substantial. Publishers and broadcasters will have to accommodate the demands of recent immigrants and immigrants who are fluent in English and acculturated to American culture, as well as native-born Hispanics.

**Growth in Bilingual Media**

One way Hispanic media outlets have adjusted to the challenge of serving both native-born and immigrant populations is through bilingual publications and broadcasts or by offering Spanish-language content that is specifically targeted at the native-born population.

According to the most recent figures from the Pew Hispanic Center, 18% of Hispanic adults reported speaking only
English in the home, and 36% reported speaking English very well. 112

The number of bilingual papers has more than doubled since 2000. Every two to three weeks, another Spanish-language paper makes the conversion to bilingual, according to Whisler, president of the Latino Print Network. In 2008, there were 202 bilingual newspapers in the United States with a combined circulation of 5.6 million. Although he did not have specific figures, Whisler said this was an increase of at least 40 newspapers from the year prior. The large majority of the papers are free, with only eight that have paid circulation.

And the major broadcasters have also followed suit, offering more content in English and, in some cases, websites in English targeted at Latinos.

In last year’s report, PEJ raised the question of whether, with more Hispanics speaking English and consuming mainstream media, Latino media faced a threat from the mainstream.

Most in the Hispanic media believe that just because Hispanics are acculturating that this does not necessarily mean that they will abandon Spanish-language media, as long as those outlets adapt to the demands of different generations of Hispanics. Bilingual consumers tend to rely on Spanish-language media for certain things, and English language media for others, Whisler said.

As foreign-born Latinos spend more time in the U.S., and their native-born children become more bi-cultural (and bilingual), they have begun looking to both Spanish and English sources for information rather than choosing exclusively between the two languages.

Looking at one specific event — the 2008 presidential election — the languages in which Latinos chose to gather their election information varied. According to the Pew Hispanic Center, television was the medium where the highest percentage of Hispanics got campaign information both in English and Spanish. For television, 33% of Hispanics said they got their campaign news exclusively in Spanish, 23% chose English, and 44% chose both languages.

Radio was next, with 38% of Hispanics getting their information in only English, 31% choosing Spanish-language radio and 31% choosing both languages.

In newspapers and on the Internet, Hispanics seemed to rely more heavily on English sources for campaign information. Fully 57% of Hispanics chose English-language newspapers and 65% chose English-language campaign news on the Internet. Only 15% of Latinos chose only Spanish-language newspapers, and 6% chose Spanish-language websites. Another 28% chose to get their campaign news in both languages on either the Internet or newspapers. 113

Robert Armendáriz, editor of the bilingual Hispania News in Colorado Springs, Colo., said the presidential candidates missed out on reaching a significant portion of the Hispanic market by focusing their ad buys on the Spanish-language media. “They tried to capture the Hispanic audience all in one,” he told PEJ. But in the case of Hispania News’ market in Southern Colorado, where the Hispanic population goes back generations, many Hispanics prefer English. “After being here since the 1500’s, you get to learn the language,” he said.

Carl Kravetz, chairman of the Association of Hispanic Advertising Agencies, said the same could be said for many
marketers. “Rather than our industry focusing on Latinos who are Spanish-dominant and figuring that, once they start speaking English, they’re no longer Latino, we’ve redefined what it means to be Latino in terms of culture as opposed to language,” said Kravetz, chief strategic officer at ad agency cruz/kravetz: IDEAS. 114

This indicates a choice no longer based solely on language, but on content that reflects Hispanic culture, which increasingly mixes U.S. and Latino influences.

“Latino media have moved from being media of chance — you prefer Spanish so you use the only media that happen to be in Spanish — to media of choice — you have choices based on preferred language, lifestyle, content preferences, etc.” Félix Gutiérrez, Professor of Journalism, Communication and American Studies & Ethnicity at the University of Southern California’s Annenberg School of Journalism, told PEJ.

So far, it looks as though much of Hispanic media has been able to accommodate the demand. Telemundo has made efforts targeting second- and third-generation Hispanics with original programming produced in the U.S., its partnership with Yahoo to attract online Hispanics and a bilingual cable channel and website. Univision has produced some original Spanish-language content targeting U.S.-born Hispanics and has also had success with its Internet platform. Bilingual papers continue to grow in number, and there have been significant moves online to attract both an English- and Spanish-speaking audience. And some newspapers have begun to link stories in the hard copy, directing readers to find more information online.

All of these moves show that at least the larger players in the Hispanic media world are aware of the changing Hispanic population and are willing to find new ways to accommodate different segments. The prospect of competition from English-language media is also driving some of this.

A challenge will come from the effect the economy has on the ability of the larger Hispanic media companies to continue to develop these new strategies and platforms for the new generations of Hispanic consumers.

Footnotes


2. Audit Bureau of Circulations Publisher’s Statement for the six-month period ended September 30, 2008.

3. Audit Bureau of Circulations Publisher’s Statement for the six-month period ended September 30, 2008.

4. Audit Bureau of Circulations Publisher’s Statement for the six-month period ended September 30, 2008.

5. Phone Interview with Pedro Rojas, executive editor, La Opinión, October 2008.

6. Portada magazine, “Al Dia Dallas/Ft. Worth on What’s Behind Their Recent 80,000 Circulation Increase,” June 12, 2008.


13. Phone interview with Pedro Rojas, executive editor, La Opinión, October 2008


34. Jim Edwards, “Hispanic Marketing World Insulated From Economy?” MediaWeek, October 27, 2008. http://www.mediaweek.com/mw/content_display/news/media-agencies-research/e3id4724c3e60d478c970ce885a9276f89f

35. Jim Edwards, “Hispanic Marketing World Insulated From Economy?” MediaWeek, October 27, 2008. http://www.mediaweek.com/mw/content_display/news/media-agencies-research/e3id4724c3e60d478c970ce885a9276f89f


91. "Rumbo to focus on web In San Antonio, Valley," Associated Press, October 9, 2008


95. Phone Interview with Christian Tang, national sales manager, Sea Latino, October 2008

96. Phone Interview with Christian Tang, national sales manager, Sea Latino, October 2008

97. Phone Interview with Christian Tang, national sales manager, Sea Latino, October 2008


101. John Consoli, Media Week Online, "Univision Upfront Flies as Integrations Slow Telemundo, Media Week Online, July 28, 2008. http://www.billboard.biz/bbbiz/content_display/industry/e3i9154af0680ec28accc2ca4e529d33d1


African American
African American Media (Updated January 12, 2009 to reflect corrections and updates to African American television profits)

By the Project for Excellence in Journalism

Overview

Heading into 2009, the makeup of African American media seemed to be shifting. Newspaper circulation continued to fall in 2008, and one major black daily converted to weekly. But the reach of black-oriented cable television networks grew. As the print sector shrank, the industry also clearly moved, if belatedly, to expand online.

Trust in Black Media

One advantage of black-owned media is the greater trust it enjoys among many African Americans.

Survey data released by Radio One, a major owner of black-oriented media, and Yankelovich Research showed African Americans are twice as likely to trust black-owned or black-focused media as they are to trust the mainstream media.

Moreover, African Americans perceive the black media as being different from mainstream outlets, the Radio One survey found.

Among all black households, 81% watch black-focused television channels and one in five named black channels in their top five most watched.

Print

Of all the black media, newspapers tell perhaps the most challenging story.

Since 2000, the Black Press of America, another name for the National Newspaper Publishers Association, has experienced sharp membership declines, down to 189 weekly newspapers in 2008 from 300 in 2000, John Smith, the chairman of the organization, told Advertising Age in August.

The declines don’t end there. Among those 189 papers, average weekly circulation continued to fall as well. In April of 2008 the average was 250,000 half of what it was in 2000, Smith said.

The circulation losses occurred at some venerable newspapers, including many stalwarts of the civil rights movement, although in some cases their declines were in line with trends across the mainstream media.

The Philadelphia Tribune, the Afro-American (with editions in Washington and Baltimore) and the New York Amsterdam News all experienced declines in circulation in 2008, according to the Audit Bureau of Circulations.

The Afro-American, which calls itself the oldest family-owned black paper in the country, was the hardest hit in the six-month period ending September 30, 2008. Its Washington and Baltimore editions combined suffered a 15% drop in paid circulation, falling to an average of 15,677 for its weekly editions, from 18,524 in 2007, according to publisher’s statements submitted to the audit bureau in September of 2007 and 2008.

The three-times-a-week Philadelphia Tribune was able to increase its Sunday circulation to an average of 10,933, according to its September 2008 publisher’s statements, up 8% from 10,122 in the same period a year earlier. But its Tuesday editions were down 3% and Fridays down 10%. Over all for the period, the paper’s average weekly circulation was down about 2%. 7

PEJ, for all media genres, uses the most recent data available for its analysis. For the black press this was the September publisher’s statements. As was the case for most news industries in 2008, audience figures from earlier in the year, before the effects of the economic downturn were fully felt, were more positive. The March publisher’s statements for these newspapers show much lesser declines than during the same six-month period a year before. The combined editions of the Afro-American dropped 4%, the Philadelphia Tribune 11% and the Amsterdam News 5%. These lesser declines, according to John J. Oliver Jr., publisher of the Baltimore and Washington Afro-American, helped mitigate the bigger circulation losses later in the year. 8

Some in the industry sense that the black press may have had a spike in readership after Barack Obama’s election in November 2008. Any changes will be reflected in the March publisher’s statements and audit reports due to be released in mid-2009.
Design Your Own Chart

Source: Audit Bureau of Circulations Publisher’s Statements for the six-month period ending September 30

*The Philadelphia Tribune circulates on Sundays, Tuesdays and Fridays. The Afro-American has editions in Baltimore and Washington. This chart combines the three days of the Philadelphia Tribune and both editions of the Afro-American

One of the few remaining African American dailies, the Chicago Defender, converted to a weekly schedule in February. 9

For comparison, the circulation of mainstream daily newspapers fell 4.6% for the first nine months of the year. 10

Elinor Tatum, editor in chief and publisher of the New York Amsterdam News, said her paper’s circulation declines related to both the overall decline in the print media and the aging audience of the African American readers who make up the bulk of the paper’s reader base. 11

And some of this shift, said Smith, was clearly attributable, as it is in newspapers generally, to the rise of the Internet. 12
And as is true for print generally, some of this online readership is going to the websites of the same papers. John J. Oliver Jr. of the Afro-American, whose paper has taken big steps into the online arena in the past year, says where the paper is losing circulation in print, it is making inroads online. 13

Many of the papers have advanced their online operations, trying to take advantage of Web editions. A group of black newspapers, including the Afro-American, New York Amsterdam News, Philadelphia Tribune, Atlanta Voice, St. Louis American, Houston Defender, Dallas Weekly, Indianapolis Recorder and the Chicago Citizen Newspaper Group formed the African American News & Information Consortium, which in the past year, according to Oliver, discussed adopting better editorial standards, which now includes committing to a quality online publication. 14

A trend that began to emerge throughout 2008 across many sectors of ethnic media was some smaller and mid-sized newspapers forgoing print entirely and moving online. In many cases the change was tied to economic necessity. The San Francisco Bay View is one such example. With a circulation of 20,000, the paper published its last print edition on July 2, 2008, with an announcement that it would be moving fully to the Web.

The move was intended to cut costs and allow operations to continue. But, according to its editor, Mary Ratcliff, this still was not enough to counter the sour economy. The foreclosure crisis, Ratcliff told New America Media, had all but leveled its operation, leaving even the online outlet in question. 15

Magazines

African American magazines generally fared better in 2008 than did newspapers. One reason may have been the multiple issues devoted to the historic election of the nation's first black president.

Three of the four biggest magazines — Ebony, Jet and Black Enterprise — enjoyed monthly circulation gains.

Ebony's circulation increased to 1,451,427 from 1,403,483 in 2007, an increase of 3%. Jet had an increase to 929,599 from 909,579 the previous year, up 2%. And Black Enterprise, a business magazine, had an increase of 2%, to 530,655 copies from 522,273 in 2007. 16

The exception was Essence, which dropped 4% to 1,051,130 copies from 1,089,495 the year before. 17
One notable event in the year was the launch of RiseUp, the first weekly national magazine insert on race issues put in some traditional newspapers. It was aimed at readers of all races, but within a few months of its introduction on June 22, it announced a temporary suspension of printing to “gauge reader response and prepare to double its circulation.”

The magazine said it hoped to come back strong in the fall, nearly doubling its circulation from its initial circulation of 4.3 million to 8 million. But as of January 2009, the phones were not being answered and the website had not been updated since the summer.

**Television**

**Audience**

All three black cable networks extended their reach – that is, became available in more households – in 2008, especially TV One and the Africa Channel, according to data from SNL Kagan, a leading market research firm, shows that.

The biggest, BET, was available in 90.5 million households in 2008, an increase of 3% from 87.7 million the year before, according to SNL Kagan.
TV One was available in 57.8 million households, up 37% from 42.3 million in 2007.

The Africa Channel was available in 7.7 million households, up more than two-fold from 2.8 million in 2007. The gains were largely due to new contracts in New York and Los Angeles. The channel, which provides English-language programming from Africa, including soaps, lifestyle, travel, sports, documentaries, reality shows, music and news, made its debut in Los Angeles on June 26 and in New York on September 18. 21

Such gains in households that could potentially watch the channel are important for cable networks. Convincing a cable system to carry a network extends its potential viewership and normally involves multiyear contracts.

Viewership numbers, on the other hand, provide information on how many households actually watched the channel. BET and TV One both increased viewership as well in 2008.

For the month of September, figures provided by the channels show that more households watched both BET and TV One in 2008 than in September of the previous year. BET increased the number of households it reached to 87 million, up from 85 million the same month last year, a 2% increase. 22

BET Viewership

2004-2008

![BET Viewership Chart](image-url)

Design Your Own Chart

Source: BET Press Releases, based on Nielsen Media Research data, September ratings for each year
Viewership for TV One was up in September 2008 to 45.3 million from 40.6 million the same month the previous year, an 11.5% increase. 23

**TV One Viewership 2005-2008**

Design Your Own Chart
Source: TV OnePress Releases, based on Nielsen Media Research data, September ratings for each year

*The Economics of African American TV*

Along with added reach, early-year projections called for revenue growth at the nation’s major black cable channels, although the recession could have affected the final numbers.

Cable channels withstood the recession better than other sectors of media, said Derek Baine, an analyst for SNL Kagan.

BET was the only profitable black-focused network, though it suffered in 2008.

From 2007 to 2008, BET’s pretax profits decreased to $218.5 million in 2008 from $252.7 million in 2007, a 13%
decrease. Net ad revenues, which often make up a large piece of total revenues, also decreased. They dropped to $272.5 million in 2008 from $308.3 million in 2007, an 11.6% decrease.

TV One reduced its losses, but the channel remained in the red. In 2008, TV One was estimated to lose $11.1 million, less than the $20.1 million lost in 2007. Part of the improvement in 2008 was due to an increase in net ad revenues, which were up to $42 million from $37 million in 2007, up 13.5%.

The Africa Channel, which was begun in 2005, also remained in the red, though it too reduced its losses in 2008. The channel lost $14.5 million, which is less than the $17.1 it lost in 2007. Net ad revenues increased in 2008, up to $2 million in 2008 from $500,000 in 2007, a four-fold increase.

Projections for 2009 showed expected mixed performances by the three networks in light of the recession. BET was forecast to experience a slight decline in pretax profits. TV One and the Africa Channel were expected to continue to cut their losses, just not by as much as previously projected.

For 2009, SNL Kagan projected that BET's pretax profit would decrease by 11.6%, falling to $193.2 million from $218.5 million in 2008.

TV One was expected to make a profit for the first time ever, with a cash flow of $1.3 million, up from losing $11.1 million in 2008. It was estimated the Africa Channel would remain in the red, losing $11.7 million, after losing $14.5 million in 2008.

TV Ownership

Black ownership of television still has some considerable distance to go.

Advertising Age reported in April that out of 1,379 commercial TV stations, only eight stations are owned by African Americans. And the biggest, BET, has not been owned by a black since 2000 when the station was sold to Viacom.

One study, by Free Press, a non-profit that promotes diversity in media ownership, found that African Americans comprised 13% of the U.S. population but only owned 1.3% of its TV stations in 2006. Furthermore, the study found that there had been no improvement in the level of minority ownership in television since 1998.

The issue has prompted efforts to encourage the sale of stations to minorities. The Federal Communications Commission convened a hearing in August 2008, at which experts from the industry testified that reinstating the Minority Tax Credit Policy and repealing certain FCC rules and regulations would boost the number of minority owners. At the same hearing, the Federal Communications Commission came under fire when it approved the merger of XM Radio and Sirius Satellite Radio. Some “saw the approval as giving big media an advantage to form monopolies and shut out small minority owned operations,” according to Black Enterprise Magazine.

Not waiting for a sale, three prominent African Americans announced plans for three new cable channels.

Former Congressman J.C. Watts announced plans for The Black Television News Channel, Grammy-award-winning musician Percy Miller (formerly known as the rapper Master P) announced the launch of Better Black Television, and
Robert Johnson, the founder of BET, announced plans for Urban Television.

In the announcements, the Watts and Miller channels said that they were planning to start in 2009. There is, however, some uncertainty about those plans since little has been heard about the project since July 2008. Urban Television's launch schedule was less clear, but as of January 2009, the station had yet to hire any staff and the company was awaiting FCC approval. 28

Assuming plans move forward, the Watts channel is to feature programming with a greater focus on news than the entertainment-oriented BET and TV One.

Watts told the newspaper/website Politico in July that his channel would “provide about 16 hours of original news coverage, nonpartisan commentary, information and educational programs” each day to the African American community that Watts says is underserved by cable and satellite television. 29 The channel already has major contracts with Comcast and DishNet. 30

Black Television News Channel had not disclosed ownership information for the channel as of the end of 2008, but more information was expected to be made available during the second quarter of 2009, according to Darren Carrington, the channel's chief financial officer.

Better Black Television said it expected to have a heavier entertainment focus, but be “family friendly” and offer lifestyle and politics programming. Miller, who was once listed among the highest-paid entertainers by Forbes Magazine, is the chairman of Better Black Television. The network’s advisory board includes actors Denzel Washington and Will Smith.

Better Black Television said it would have “a wide arrangement from health and fitness, animation, financial planning, reality TV, sitcoms, dramas, movies, responsible hip-hop music and videos, politics, sports and entertainment news, educational children's shows as well as teen and family programming.” 31

The plan for Urban Television was less specific. But, according to officials of the new network, it would be co-owned by Robert Johnson and Ion Media Networks and share time on stations owned by Ion. The network planned to “cater to a multicultural audience interested in health, lifestyle education and other issues,” and possibly offer some news content. 32

In December, the channel’s FCC application drew opposition from the National Cable & Telecommunications Association. The group filed documents with the FCC, suggesting that the share-time agreement with Ion should be treated as a separate license by the FCC. 33

Radio

The other major element of the African American media in America was radio.

From 2007 to 2008, the number of black-owned radio stations increased by 5 to 245, according to the National Association of Black-Owned Broadcasters. 34
But despite those gains, there were also signs of difficulty.

Perhaps most notably, the medium’s leader experienced financial distress and there were accusations that a new way of measuring radio audiences may undercount African Americans and Hispanics.

Radio One is the largest black-owned radio broadcasting company that targets African American and urban listeners. The company operated 53 radio stations in 16 urban markets at the end of the year. During the first three quarters of the year, the company reported a net loss of $296.6 million. That was exponentially worse than the loss of $3.4 million reported for the same period in 2007. Of the 2008 loss, $266 million came in the third quarter, when the company wrote down the value of its FCC licenses. Radio one had a net income of $4.7 million the same quarter of 2007.

In response, Radio One moved to diversify its operations by selling stations and buying digital businesses.

It sold stations in Miami and Los Angeles and acquired a Washington, D.C., radio station, WPRS-FM, and the social networking firm Community Connect, which includes BlackPlanet.com, AsianAve.com and MiGente.com, all online ethnic social networking properties.

The moves were an effort by Radio One to “increase radio market share, cut costs and diversify into TV and online revenues,” CEO Alfred Liggins told the Washington Business Journal. “Clearly all advertising based companies, including radio, are experiencing extremely challenging times given the slowdown in consumer spending, and I expect this to continue through all of 2009,” he said.

Sheridan Broadcasting and American Urban Radio Networks are two other major black-owned radio companies. Sheridan Broadcasting currently owns and operates five radio stations. American Urban Radio Networks is a division of Sheridan and was founded as a partnership between then competing National Black Network and Sheridan Broadcasting Corporation in 1991. The company broadcasts to more than 300 stations and reaches an estimated 20 million listeners each week, according to the company’s website. The company also has bureaus in Pittsburgh, Atlanta, Chicago, Detroit, Los Angeles and Washington.

The audience for black radio programming is significant.

Five black talk radio hosts again made Talkers Magazine’s top 100 list for 2008: Joe Madison, Bev Smith, Larry Elder, Lincoln Ware and Larry Young.

Arbitron, the radio ratings agency, reported that in 2007, the latest year for which there were data, blacks made up roughly 3.9% of the listeners to stations categorized as news/talk/information each week. This was up slightly from 3.6% in 2006. Arbitron does not break out black-focused radio stations from general market stations.

From 2006 to 2007, time spent by African Americans listening to news/talk/information radio increased by 15 minutes per week to an average of eight hours and fifteen minutes listening per week from an average of eight hours the previous year.

Arbitron had a bumpy year in its relations with the ethnic press. Its new portable people meter ratings system came under fire for under-representing young African Americans and Hispanics, non-English speakers and cell phone-only houses.
The issue boiled over in October, when Arbitron released the first ratings generated by the new devices. New York State Attorney General Andrew Cuomo responded with a lawsuit. 41

The accuracy of the ratings system has serious implications for African American radio stations, because if audiences of urban stations are underrepresented, it will make it difficult to attract advertisers.

Digital

In general, black-oriented media have struggled to find a future online.

One challenge has been lower Internet usage among blacks. According to the latest Pew Internet & American Life Project, 64% of African Americans use the Internet, compared to 77% of whites and 58% of Hispanics. 42

But that is beginning to change. Use among blacks is increasing and at equal or faster rates than among whites or Hispanics. Between the end of 2000 and 2008, African American Internet usage has increased by 22 percentage points, from 42% in 2000 to 64% in 2008. This compares with a 10-point increase for Hispanics from 48% in 2000 to 58% in 2008 and a 22-point increase for whites from 55% in 2000 to 77% in 2008. 43

With that in mind, some African American news outlets boosted their online investment in 2008. And unprecedented reader demand to have the news almost as it happened fueled by Barack Obama’s candidacy helped push some major black newspapers online in 2008.

In broadcast, Radio One, the largest radio broadcasting company targeted at African American and urban listeners, scaled back its broadcast operations so it could focus on its online project, InteractiveOne, that began in 2007. At the close of 2008, the online project included the websites HelloBeautiful.com, TheUrbanDaily.com, BlackPlanet.com, Giantmag.com, MiGente.com and NewsOne.com.

NewsOne.com is an online news website targeted at African Americans. It combines news aggregated from traditional news sources with original content from contributors on issues and current events relevant to the African American community.

Together, the websites make a comprehensive web portal the company hoped would serve “the African American community through news, information entertainment and social networking.” 44

According to RadioOne, the combination of the sites makes InteractiveOne the “largest media entity for African Americans reaching more than 6 million unique visitors monthly.” 45

One other notable success came as a spinoff from a more mainstream news outlet. TheRoot.com was launched by the Washington Post in January 2008 and, as of January 2009 attracted an average of 228,000 people per month. The site drew a six-month high of 1.3 million people per month in August, according to estimates by the Web analytics service Quantcast. 46 TheRoot.com declined to provide more specific traffic numbers.
For comparison, it was estimated the Washington Post’s website attracted on average 9.5 million people per month and had a six-month high of about 10 million people per month in September.

The site’s editor in chief and co-founder is Henry Louis Gates, Jr., the director of the W.E.B. Du Bois Institute for African and African American Research at Harvard University. Among its contributors during its first year were the playwright Keith Josef Adkins, Harvard W.E.B DuBois Professor Lawrence Bobo, Princeton Professor Melissa Harris-Lacewell and Professor Marc Lamont Hill of Temple University.

According to the site, “The Root aims to be an unprecedented departure from traditional American journalism, raising the profile of black voices in mainstream media and engaging anyone interested in black culture around the world.”

Its news page aggregates stories from a variety of media. Two weeks before the election, for example, it featured links to a Washington Post article on Democratic presidential candidate Barack Obama’s fundraising, a Politico article on the lack of support for Republican rival John McCain, and a New York Times story on an American airstrike against Taliban targets in Pakistan.

Its views section included commentary such as a retrospective on the release 40 years earlier of the album “Electric Ladyland” by black rocker Jimi Hendrix and a piece on why Jews should vote for Obama.

A lengthy blogroll featured links to the black-oriented gossip site Bossip, one devoted to a discourse on race called Racialicious, and another that explores black contributions to classical music called AfriClassical.

In April 2008, Advertising Age reported that many black newspapers had struggled with digital editions, and after launching a national online portal for black newspapers in 2001, the National Newspaper Publishers Association, the black press organization, currently averages only about 10,000 hits per week. As the presidential campaign heated up, though, and Barack Obama became the Democratic nominee, many in the black press energized their online efforts.

The nine papers that make up the African American News & Information Consortium, for example, boosted their websites and e-publications in 2008. In addition, one of the papers, the Afro-American, dedicated increased resources to covering Obama’s candidacy and getting news out to readers in almost real time.

According to the Afro’s publisher, John J. Oliver Jr., during the early primary season the paper sent reporters to the Democratic Convention in Denver who posted stories online from the floor and continued through the campaign. Oliver said that moving online “is a risk all newspapers need to take” and that the aggressive online push that the paper made helped to attract younger readers. “Having just a website isn’t enough,” he said. “You need e-mail blasts, mobile alerts, anything that will get the news out before it hits the street.”

Elinor Tatum of the Amsterdam News also underscored the importance of the online move, calling it “simply a matter of what needs to be done.”

In perhaps the boldest move in this market, the 20,000-circulation San Francisco Bay View newspaper decided in 2008 to abandon print altogether.
The headline on its final issue announced its strategy: “The Bay View’s not dead; we’ll see you on the web!” Bay View publisher Willie Ratcliff told New America Media that the paper would save 82% of its costs with the move. It has managed to maintain an online presence but later in the year reported more financial trouble.

One area that gained promise in 2007 was the African American blogosphere, the AfroSpear, also known as the AfroSphere. Its role in drawing attention to the case of the Jena Six, the black students arrested after a school fight in Louisiana in which a white student was beaten, established it among blacks as a popular way to discuss African American news.

In 2008, Barack Obama’s historic candidacy provided more fodder for the AfroSphere. The San Francisco Chronicle reported that, according to Electronic Village, a blog run by Wayne Hicks, a member of the 140-member AfroSpear collective, the number of black blogs has increased from 75 in September of 2007 to 1,239 in July of 2008. ColorofChange.org, a San Francisco-based blog that seeks to be a “black MoveOn.org,” has grown from 100,000 members to 417,000 in the past year, the paper reported.

But most of these news-oriented sites remain far less popular than mainstream news sites such as AOL.com, CNN.com, and MSNBC.com.

Footnotes


The Black Press of America also reported sharp membership declines.

5. Audit Bureau of Circulations publisher’s statement for the period ending September 30

6. Audit Bureau of Circulations publisher’s statement for the period ending September 30

7. Audit Bureau of Circulations publisher’s statement for the period ending September 30

8. Audit Bureau of Circulations publisher’s statement for the period ending September 30


11. Phone Interview with Elinor Tatum, October 2008

http://adage.com/mediaworks/article?article_id=126174

13. Phone Interview with John J. Oliver Jr., publisher, Baltimore and Washington Afro-American, October 2008


http://news.newamericamedia.org/news/view_article.html?article_id=d9cd25e6adfadf3608103b5f842a616f3

*New America Media is a California-based association of ethnic news organizations founded by the nonprofit Pacific News Service in 1996. According to its website, “NAM is dedicated to bringing the voices of the marginalized-ethnic minorities, immigrants, young people, elderly — into the national discourse.”

16. Audit Bureau of Circulations publishers’ statements for the period ending June 30

17. Audit Bureau of Circulations Publisher’s Statement for the period ending June 30. Although Essence is a black-focused magazine, it is no longer black-owned. In 2000, Time Warner purchased 49% of Essence Communications and in 2005 bought the remaining 51% of the company.


20. SNL Kagan, Economics of Basic Cable, 2008 Edition


22. BET Press Releases, September 2007 and 2008

23. TV One Press Releases, September 2007 and 2008


26. Marcia A. Wade, “FCC Hearing Broaches Media Ownership for Minorities, Black Enterprise magazine, August 6,
The Obama Factor

The Obama Factor

By the Project for Excellence in Journalism

The nomination of the first African American for President was significant for all ethnic media, but especially big for African American outlets. When asked what the “big story” of the year was for the Black Press, Elinor Tatum of the New York Amsterdam News had two words: “Barack Obama.”

African American media outlets invested heavily in coverage, with the two black-oriented cable channels providing their first gavel-to-gavel coverage of a political party convention and focusing almost solely on news coverage for the convention, election night and Obama’s inauguration. The major African American magazines—Essence, Ebony and Jet—all added some form of regular White House coverage to their content. Some of the largest African American newspapers saw big increases in subscriptions and sold thousands more copies beyond their average circulations following Election Day.

And black talk radio became so influential during the elections that the New York Times deemed the medium “The Left’s Answer to Limbaugh.”

The Obama campaign hired a communications strategist “to focus exclusively on black media and help with an intensified effort to take advantage of their excitement about Mr. Obama’s candidacy.”

In print, Essence’s January 2009 magazine featured two different covers, one with Michelle Obama and the other with Barack Obama. Ebony dedicated its entire January 2009 issue to Obama and named him as the person of the year, a first for the magazine. The magazine also landed Obama’s first post-election interview.

Afro American newspapers responded to Obama’s candidacy by stepping up their online operations and the New York Amsterdam News reported selling in excess of 200,000 copies of its issue following Obama’s election. The paper also saw an uptick in subscription sales and visitors to its website, according to Elinor Tatum, the paper’s editor in chief and publisher.

Among black television channels, TV One spent $1 million to cover the Democratic National Convention gavel to gavel and added a talk show to the lineup called TV One Live: DNC Afterparty.

The effort reaped benefits. Its prime-time coverage reached a total of 2.6 million viewers, 2.2 million of them African American.

On the night of the convention when Obama made his acceptance speech, TV One was the second-most watched cable network by African Americans, behind only CNN, according to Nielsen Media Research.

On election night, TV One began its comprehensive coverage, “Election Night 08: A Vote for Change,” at 7 p.m. and continued late into the night after Obama’s election. The channel’s team included anchors Arthur Fennell, Joe Madison and Jacque Reid in the studio, with reporters in the field in seven locations. Commentators included Michael Eric Dyson, Tom Joyner and Roland Martin, among others. TV One used Associated Press resources for its information.

And for the inauguration, TV One dedicated 24 hours of programming to the event. Its coverage of the inauguration
began at 7 a.m., with live coverage beginning at 10 a.m. The coverage of the day's events included live reports and interviews from the inauguration ceremony, parade and inaugural balls by TV One commentators and reporters sent to the inauguration, as well as some previously aired documentaries and interviews.

The largest black channel, BET, also took steps to link itself to the presidential elections. During the Democratic convention, BET featured periodic reports and interviews from the floor and carried Obama's acceptance speech live.

BET discontinued its nightly newscast in 2005 but it presented the debut of a new weekly news program, The Truth With Jeff Johnson, during the Democratic convention.

BET scaled back its coverage significantly for the Republican National Convention, drawing some criticism about the ability of the cable network to remain objective while at the same time covering Obama's nomination.

On election day, BET offered news updates and extended its coverage of the election all of the next day, featuring a mix of live coverage and airings of Obama speeches, viewer call-ins and celebrity commentators. BET began its election night coverage at 6 p.m. with a special edition of 106 & Park, a popular entertainment show normally seen at that time.

The prime-time coverage, “Be Heard Election 2008,” started at 8 p.m. The BET team was led by Jeff Johnson and correspondents in the field and featured political analyst Kevin Boykin, political pundits Jamal Simmons, Keli Goff and Angela McGowan and Marcus Mabry, an editor at the New York Times.

For the inauguration, BET covered the ceremony and parade from four locations and featured several special reports on topic such as Obama's international appeal, his security, Michelle Obama a look at individual voters who helped elect Obama.

The interest in the election was also evident on African American radio.

Black talk radio hosts Bev Smith, Tom Joyner, Warren Ballentine, Michael Baisden, Tavis Smiley and Al Sharpton were vocal during the primary season. Many were in high demand to offer perspectives on mainstream cable channels.

Obama’s candidacy also prompted all the presidential candidates to make more use of black talk radio as a way of reaching out to the African American community.

During the primary campaign, Obama appeared for interviews on the Tom Joyner Morning Show, the Michael Basiden Show and the Steve Harvey Morning Show.

Radio One stations conducted a one-day voter registration drive that enrolled 30,000 new voters.

Online, the coverage of Obama’s candidacy was plentiful as well. NewsOne.com and BlackPlanet.com blogged from the Democratic convention.

There were celebrity webisodes and news feeds from TV One and BlackAmericaWeb.com during the event. The site also interviewed Michelle Obama and featured live interactive forums during the convention.
The convention granted unprecedented access to bloggers. However, the party came under fire from African American bloggers.

Francis L. Holland, of the Afrosphere Action Coalition, complained to Black Enterprise magazine that black blogs only made up slightly more than 7% of the bloggers credentialed for the convention. 13

Notable credentialed African American blogs included: African American Political Pundit, Jack and Jill Politics, Pam’s House Blend, Dallas South, What About Our Daughters, Culture Kitchen and Georgia Politics Unfiltered. 14

Leading up to and on Election Day, theroot.com featured comprehensive coverage “intended to represent a multifaceted multigenerational view of the African American experience around Election Day.” 15

The website used its base of writers and also allowed the public to submit personal stories and photos that helped convey individual African American experiences during the election. Features on the website included a piece on the Internet’s impact on the election, a story on Michelle Obama as the First Lady and the evolution of American identity by prominent Root writers. 16

The Obama candidacy seemed to push many outlets to include more news in their regular mix of programming and printing than in previous years, even in a worsening economy. One thing to watch for is if these trends continue through Obama’s term as President.

Footnotes


Asian American

Asian American Media

By the Project for Excellence in Journalism

Overview

Asian Americans comprise a variety of small and fractured markets. But their affluence theoretically makes many of those markets tempting. Various media outlets, based in the United States or abroad, have tried to tap into this potential, with mixed success.

In 2008, Asian media saw success in some quarters — particularly large papers and online — and trouble elsewhere, especially some smaller papers and in television. However, toward the end of the year, Asian American media suffered a big setback as one of its largest and most successful weekly newspapers, Asian Week, was forced to fold in the midst of the recession. As in most media, the forecast heading into 2009 looked more difficult for everyone.
Among the winners, several leading newspapers saw circulation stability or growth during the year, in contrast with most mainstream newspapers.

Some think an element of that success has been to appeal to Asian Americans not through their native languages but through their newer shared one: English.

Some smaller Asian American newspapers had a harder time in 2008, however, suffering declines in ad revenue as a result of the recession, especially those in California, where a severe housing slump has eaten into real estate advertising revenue.

And in a sign of a maturing industry, a number of publishers have formed an association to promote their common interests.

On the television side, meanwhile, the picture was less positive. New Tang Dynasty, a New York-based nonprofit that described itself as the only independent television station broadcasting into China, found itself effectively blocked from that country in a dispute with the Chinese authorities. And the cable giant Comcast closed AZN Television, which had been promoted as a “network for Asian America.”

**Demographics**

Asian Americans represent, by percentage, the fastest growing ethnicity in the country. Though they remain relatively small in numbers, Asian Americans households are disproportionately wealthy, making them a lucrative target for publishers and broadcasters.

Nearly 16 million Americans, or just over 5% of the U.S. population, identify themselves as Asian American or Asian Pacific Islander. By 2050, the figure is expected to increase to 9%.

One in three Asian Americans have a household income that exceeds $100,000 (36%), compared with 25% of American households as a whole. Asians are also more likely than other groups to make expensive purchases like new cars and designer clothing, according to a Packaged Facts report.

Their buying power, too, is among the fastest growing of any demographic group. Asian-Americans are estimated to have $254 billion in annual buying power. Between 1990 and 2007, Asian buying power had increased 294%. Only Hispanics, at 307%, grew faster, according to Jeffrey Humphreys of the Selig Center for Economic Growth at the University of Georgia.
Despite the growth and relative wealth of Asians, Asian American media continues to face challenges reaching this audience and attracting advertisers, for a variety of reasons.

One is the population is exceptionally diverse in nationality and speaks a host of languages (unlike the Hispanic market). The Magazine Publishers of America reported that 90% of Asian Americans come from six countries: China, India, the Philippines, Vietnam, Korea and Japan. The largest populations are Chinese and Filipino.

The closest the market comes to a common language may very well be English. According to the 2000 U.S. Census, 80% of Asian Americans report that they “speak English very well” and one fifth (21%) say they speak only English.

There are conflicting views on whether Asian Americans’ high rates of fluency in English helps or hurts Asian American media.

On the one hand, if Asian Americans can get their news from mainstream media in English, they may see less reason to turn to Asian-oriented news outlets. Fully 78% say they consume both ethnic and English-language media, and only 12% say they consume only media in their native language.
On the other hand, others say Asian media remain attractive because those outlets provide cultural news and information unavailable in traditional general market outlets. And English, they note, can be a good tool for reaching a linguistically diverse population.

The result is that some Asian media outlets are trying to create a bi-cultural Asian American media. The content here speaks to the Asian cultural heritage of readers, has an international focus and relates to the audience’s Americanism at the same time.

Good examples of this are in the Filipino and South Asian communities. “It is not uncommon to find that the most effective ads addressing Filipino and South Asian consumers are in a hybrid form of their language and English, such as Tagalog (Filipino) and English, which is affectively known as Taglish,” Bill Imada of the IW Group, a leading Asian American ad agency, wrote on his Advertising Age blog. 10

But Asian American media outlets are still trying convince advertisers of the market’s strength. These advertisers, professionals say, often still hesitate to invest in ethnic media, especially in English, because they feel they can reach the market through mainstream publications and because the Asian market, relatively, is small.

“Advertisers have to realize that advertising in ethnic media should not be a one-time thing or a diversity initiative,” said Leslie Yngojo-Bowes of USAsian Wire, an online service that distributes press releases to Asian-American media outlets. 11

Print

Success in the Asian press in 2008 seemed to depend, in part at least, on where the paper was based and what language it used.

Some of the larger in-language newspapers serving the American market were based not in the United States but in Asian countries that were not as badly affected by the sharp decline of the American economy. Others, especially those based in California, where the bursting housing bubble was felt most severely, were forced to cut back.

The National Association of Asian Publishers was formed at a March 2008 conference of the Newspaper Association of America.

The new association’s co-founder Leslie Yngojo-Bowes, president of USAsian Wire, said the group’s establishment “dovetails … with the continuing expansion of Asian American media.” 12 The group said its mission was to “reach out to over 400 identified Asian print, electronic and online publishers throughout the United States” and focus on “market research, matching circulation verification and analysis with the needs of advertisers, and developing new leaders in the field of Asian Pacific American publishing.” 13

Some publications attempted, with mixed success, to participate in audits for the first time. During the first quarter of 2008, Verified Audit Circulation, an organization that verifies circulation figures, saw an uptick in Asian publications seeking to get audited, according to Josh Luck, field verification manager for the organization. But by the third quarter, he said, the number had dropped off as the economy worsened. 14
One of those papers that succeeded was Balita, a Southern California paper for the Filipino community that subscribed to Verified Audit Circulation. The first audit is expected to be released in mid-2009.

The executive editor, Amee Enriquez, told Verified Audit Circulation, “We wanted to add more credibility to our newspaper. What a better way to do so than joining the ranks of other reputable news organizations that underwent the same process?”

Raju Kotak, founder of WowNow.com, a social networking portal for South Asians, said the lack of audits, which are necessary to build advertiser confidence and relationships, had hurt Asian American publications.

Two Asian American newspapers demonstrated the value of an English-only strategy, at least until the economy turned down, causing one of them to fold. With so many Asian languages in the market and a high rate of English fluency among Asians, English content has the potential for a much broader overall audience. The challenge there is to cover all the various ethnic interests.

Pan-Asian Media

One strategy, aimed at enlarging the market power of Asian American media, has been to create a pan-Asian publication published in English, the one common language of U.S. Asians. AsianWeek, which called itself “the only English-language newsweekly for Asian Pacific Americans,” was the model here.

But early in 2009, the paper published its last print edition, citing the economy as the reason for its closing. “There are fewer major newspapers, fewer newspaper readers and fewer newspaper advertisers than ever before,” Ted Fang, the editor, and James Fang, the publisher, said in a letter published in the newspaper. The paper said it would continue to publish online, but Ted Fang said that all staff had been laid off. The focus of AsianWeek, Fang said, would shift to doing more “community work.”

The loss of the paper raised concerns among the Asian American community of an increasing gap in coverage of Asian Americans in the mainstream media that traditionally has been filled by the ethnic media but is now especially vulnerable due to the recession.

Before its closing in January 2009, the paper says it had success for 30 years. Since its establishment in 1979, it had served as an important model for the Asian American ethnic media industry.

Before it stopped printing, the English-language publication’s San Francisco and national editions average circulation had totaled 58,882. This is the latest circulation information available for 2008 (July-September 2008) before the paper stopped printing.

It boasted a readership with demographics that would be the envy of any publisher: 44% of its readers reported annual incomes in excess of $100,000, 38% owned a business, 60% owned their own homes and 77% held a college degree. Among its advertisers were some of the best known retailers, such as Macy’s, Nordstrom, Best Buy and Home Depot.

Fang was optimistic even going into the last quarter of 2008. “If there is a sweet spot in this recessionary economy, it is
in the Asian Market. … As long as Asian market media can demonstrate verifiable and targeted readership, we can bring results to advertisers and continue to survive and grow," he said. 19

In the end, however, the paper was not immune to the recession. Nikki Cranor, AsianWeek’s associate publisher, told PEJ that there was a general slowdown in attracting long-term contracts toward the end of 2008 and that small-business advertising had been slowing down for some time. 20

Ethnic-Specific Papers

Other publications report success targeting readers by nationality, often doing so in the native language of their audience, although in many cases their circulation figures are not audited.

One paper, the Epoch Times, has taken the native-language strategy to an extreme by trying to expand into a chain empire. Epoch Times says the approach is having success, although its circulation is not audited. The paper began in 2000 as a Chinese-language paper in New York City and has since added offices around the world and editions in nine other languages. Its website is available in 17 languages, including English. 21

The weekly says it has a national circulation of 100,000 and a worldwide circulation of more than 1 million. 22 The New York Times has reported the paper’s connection with the Falun Gong spiritual movement that has been banned in China, although the paper denies any formal affiliation with the group. 23

Chinese

Among the biggest non-English Asian American media outlets are those that publish in Chinese, a language widely spoken throughout Asia.

For example, the Sing Tao Daily, founded in 1938 in Hong Kong and owned by Sing Tao News, has grown into one of the largest Chinese-language media operating in the United States.

The paper’s website says that 85% of those who read Chinese newspapers in the San Francisco Bay Area read the Sing Tao Daily. The Eastern edition of the paper, distributed in New York, Philadelphia, Boston and Chicago, says it reaches 250,000 readers daily. 24

The company also owns three radio stations in California. It has offices in mainland China, Taiwan, Australia and Canada. The company’s U.S. offices are in various cities in California as well as Boston, Chicago, Philadelphia and New York. 25

In 2008, the Boston edition of the paper prints 13,000 copies daily, New York 50,000 daily, Philadelphia 10,000 a day and Chicago 8,000, Jenny Wong of the newspaper’s advertising office told PEJ. 26

Although she declined to provide specific 2007 numbers, she said the circulation experienced little change from 2007 to 2008.

World Journal, a Chinese-language newspaper based in Taiwan with U.S. headquarters in New York and Los Angeles,
is a competitor of the Sing Tao Daily, and is published in New York, Los Angeles, San Francisco, Chicago and Texas, and it is distributed nationwide. The paper was founded in 1976 and although specific circulation numbers are not available, it calls itself the most widely read newspaper in North America in Chinese. 27

**Korean**

The Korea Times and the Korea Daily are the two most widely read Korean newspapers in the U.S. Both are based in Korea but distribute widely in the United States.


Advertising revenue at the papers slipped in 2008, but not as much as it had when the Asian market in the 1990s, said Kenneth Kim, an editor for New America Media and former reporter for the Korea Times and Korea Daily. Kim said he was “optimistic about the ability of the Korean media to manage the impact of the economic downturn,” especially given its location outside the U.S. 28

Though the data are limited, the U.S.-based Korean-language press also showed signs of stability in 2008.

Korean Journal, a Korean-language monthly based in Houston, has demonstrated a stable circulation over the past several years. It reported an audited circulation of 100,166 in June 2008. That was a slight over the same time a year earlier. 29

Another publication that could be a real competitor in the Korean market is KoreAm Journal, an English-language magazine that increased subscriptions in 2008 after some trouble in August.

Owned by the Korea Times, 30 KoreAm started out as a local paper in Gardenia, Calif., went national in 1997 and now reports a total print readership of 43,000 and averages 23,000 website hits per day. 31 According to its website, KoreAm “embraces all generations of readers, including the mixed-race and adoptee communities,” and “has become the most widely circulated” independent English-language publication serving the Korean American community. 32

One way that KoreAm helped itself in 2008 was by issuing an unusual, and apparently successful, appeal for support. Its August issue carried a letter from its publisher saying it needed more subscribers and advertisers to stay in business. 33 “If this publication is something our community values, we want our readers to participate in the process more,” the publisher, James Ryu, said in an interview with New America Media in September 2008. 34

After the plea, new subscriptions the next month increased almost four fold from an average of 20 subscriptions per month to 95. 35
Vietnamese

Other native language Asian-American publications reported more difficulty. The small Viet Tribune in San Jose, Calif., for example, suffered from a decline in restaurant and real estate advertising brought on by the 2008 economic downturn. Its publisher, Vivian Truong Gia, said in October that her real estate section had shrunk from 20 pages to 8, and that the company had lost 20% of its revenue. It cut staff and its newshole to compensate. 36

Nguoi Viet, which calls itself the largest Vietnamese-language paper in the United States, reported that its circulation held steady in 2008, at 17,500. The paper is published in Westminster, Calif., and has an average daily readership of 30,000. 37 The paper is mostly distributed in Southern California, but has more than 1,000 out-of-state subscribers. 38

In an illustration of the sensitivities faced by the ethnic press, Nguoi Viet drew protests from the Vietnamese community in January 2008 after it published a photo of a foot spa painted in the colors of the flag of communist Vietnam. 39

After a week of picketing outside the newspaper’s offices, it apologized for the photo, fired two top editors and issued refunds for that issue of the paper. But a small number of demonstrators still remained outside the offices, protesting through nearly the middle of the year. In April, an Orange County judge put restrictions on the demonstrators, saying their behavior was too disruptive, and the newspaper filed lawsuits against three of the protesters. 40

One of the fired editors, , Hao Nhien Vu, went on to create his own blog to cover the news of the Vietnam community: “The Bolsavik: All Viet, all the time.” 41

Filipino

Filipinos are the second largest segment of the Asian American population behind only Chinese-Americans. 42 English is an official language in the Philippines, along with Filipino, a language based on Tagalog, and much of the Filipino-American media outlets are in English.

One example is Filipinas Magazine, a monthly news magazine for the Filipino community published in Daly City, Calif., which said it had also experienced a dropoff in its real-estate section, hurting revenues. It’s income from real estate advertising, a major source of income for the magazine, dropped 12%. Partly as a result, the paper also had to cut its overseas staff, move to a smaller office and cut paper use. 43

Asian Television

The diversity of languages that makes up the Asian-American community is especially difficult for television and radio, where programming is primarily in the native language, which leaves a handful of broadcasters serving narrow segments of the population. This is especially hard for television programmers, where the cost to entry into the business can be higher than it is in print, and room on cable systems is limited.

To address this, some stations have tried block programming. In these cases, the station broadcasts programs in a variety of languages in different blocks throughout the day.

It was a difficult year for Asian American television in 2008. One element in that difficult year, oddly, was the fact that one of the major stories of the year happened in Asia.
One of the largest Asian broadcasters, New Tang Dynasty Television, broadcasts in Chinese and had a high-profile run-in with the Chinese government before the Beijing Olympic Games.

New Tang Dynasty Television was started in 2001 with the goal of becoming the Chinese CNN. It had since grown into a satellite network that broadcasts Western-style news and entertainment 24 hours a day in Mandarin and Cantonese to Chinese communities in the United States. 44

The New York-based NTDTV reported having correspondents in over 70 cities worldwide and was, before the Olympic Games, permitted to broadcast via satellite into China. It called itself the only station available to the Chinese citizens that was independent of the Chinese government. 45

Seven weeks before the games started, however, the channel lost its satellite feed. It had not been restored as of the end of 2008. The broadcaster had been utilizing a satellite operated by Eutelsat, a private company founded by a consortium of European governments. 46

Eutelsat blamed a “power generator subsystem anomaly,” but NTDTV said it had evidence that the cutoff was a response to pressure from the Chinese government. A man answering the phone at the Chinese embassy said the Chinese government had not issued an statement on the satellite feed and declined to comment.

“The harm this interruption has caused to NTDTV and our audience must end. We will spare no effort to obtain a full accounting of the situation and to restore NTDTV’s open satellite broadcast over Asia as soon as possible,” said Zhong Lee, president of NTDTV.

The situation prompted the station to launch the Freedom Satellite for China plan that would raise funds for the station to buy its own satellite capabilities. 47 In October 2008, 68 members of the U.S. House of Representatives also sent a letter to Eutelsat urging the company to restore the satellite service. This was followed by 477 members of the European Parliament signing a written declaration in support of New Tang Dynasty Television in January of 2009.

Following the declaration, Eutelsat released an official statement that said the outage was “irreversible and purely technical.” 48

Before the dispute, NTDTV had expanded its coverage in the New York City area. The station struck an agreement to lease an hour of prime time from WMBC-TV 63, a station based in Newton, N.J. 49

In May, the NTDTV announced that it would provide a mobile video portal that would deliver mobile content to iPhones and other smartphones on a subscription basis. 50

The NTDTV dispute was not the only setback for Asian American television. Comcast pulled the plug in January 2008 on the three-year-old AZN Television, a pan-Asian channel initially described as a “network for Asian America.” Comcast said it made the decision after it conducted “a review that included a study of the prospects for Asian American broadcast media by a leading management consulting company retained by the company.”

The review, Comcast said, included “a realistic consideration of the channel’s failure to obtain meaningful support from
The Filipino Channel, the largest television station targeting Filipino Americans in the United States, is also a strong player in Asian American media. Established in 1994, the channel combines content produced in the U.S. and the Philippines and is distributed by cable and satellite operators. It reports having more than 200,000 Filipino and Filipino American subscribers.

Among its programs are Balitang America; Citizen Pinoy, a show focusing on immigration issues; Adobo Nation, a weekly talk show, and Pera Ko Pera Mo, a personal finance program.

Other Asian cable and satellite networks in the United States are the Vietnamese-language SBTN and the Chinese-language TVB. Another, TVK, aggregates programming from 19 Korea-based networks and its own programs for Korean Americans in the U.S. 24 hours a day.

Radio

Radio offers another avenue for reaching new immigrants and first-generation citizens. It is particularly strong in the Chinese, Korean and Vietnamese communities and has networks like Little Saigon Radio Broadcasting.

Radio Korea International, popular in the Korean American community, calls itself “the nation’s sole foreign language promotional broadcast of Korea for the broadcast world.” The station broadcasts internationally and provides news programs on the politics, economy, society and culture of Korea, according to its website.

Houston has emerged as a center of South Asian American culture, as reflected on the radio dial. Little Saigon Radio, founded in 1993, broadcasts throughout California and in the Houston area. It says it aims to be “the most trusted voice in Vietnamese radio program in the U.S.”

A rival, Radio Saigon, is aimed at Vietnamese in Houston and calls itself the only full-time Asian station in Houston.

Digital

Recognizing the high rates of Internet usage among Asian Americans, Asian media outlets have moved online aggressively.

Asians use the Internet at higher rates than any other ethnic group in the country, according to the 2007 Current Population Survey conducted by the National Telecommunications and Information Administration. About 76% of Asian American households use the Internet, according to the latest data available. That compares with 67% of white households, 45% of black households and 43% of Hispanic households.

The media serving this population are trying to keep up. Most of the larger Asian-American newspapers improved their websites in the past year, adding new features. Many added content in English, reflective of the potential marketers see in second-generation Asians.
World Journal and the Sing Tao Daily have both created sophisticated websites. The World Journal offers an e-paper version of the print edition and has a section for English news on the website that offers different content from the Chinese-language homepage. Nguoi Viet offers readers the choice between Nguoi Viet in Vietnamese and Nguoi Viet 2 in English.

A few outlets have decided to forgo the print version of a newspaper and launch with a completely online publication. The China Digital Times, run by the journalism school at the University of California at Berkeley, did just that as far back as 2003. The website's content is a mix of articles written by the mainstream press on China and blogs from contributors. The site calls itself a “collaborative weblog” and allows readers to participate by posting links, commenting on stories in discussion forums and sharing photos. According to the Digital Times website, it “aims to aggregate the most up-to-the-minute news and analysis about China from around the Web, while providing independent reporting, translations from Chinese cyberspace and perspectives from across the geographical, political and social spectrum.”

Some smaller Asian American outlets have been reluctant to make the online move because of the costs and the difficulty of estimating potential revenue.

“A small newspaper can look at the print edition and know how much money they made from putting the print ad in the paper, but online it is more complicated,” said Raju Kotak of WowNow.com.

USAsianWire.com expanded as potential competitor to the more traditional ethnic news outlets in 2008. The online wire service announced a strategic partnership with other ethnic news services and formed the Multicultural Newswire Alliance, which comprises Black PRWire, Hispanic PRWire and USAsianWire.

USAsian Wire.com was established in 2006 by Leslie Yngojo-Bowes, formerly of Business Wire, as what it calls an online newswire service that “specializes in distributing news releases and multimedia content reaching Asian, South Asian and Pacific Islander media outlets and organizations.”

Taking the lead of a practice common in many Asian countries, USAsian Wire partnered with firms like Dynasign and Jistar Media to install digital screens in supermarkets frequented by Asian Americans. The digital screens are placed at the checkout, meat and other counters where people have to wait and provide a mix of scrolling news/information print with advertising, much like a digital billboard.

The screens offer ethnic outlets a “way to appeal to people who wouldn’t necessarily pick up a newspaper or read their news online,” according to Yngojo-Bowes. An Asian supermarket chain, H-Mart, planned to have 80% of its stores outfitted with the screens by the end of 2008. This method of reaching consumers and readers has been common in Japan, Korea and other Asian countries for years.

Footnotes


14. Phone interview with Josh Luck, Verified Audit Circulation field verification manager, December 2008


16. Phone Interview with Raju Kotak, founder WowNow.com, September 2008


*New America Media is a California-based association of ethnic news organizations founded by the nonprofit Pacific News Service in 1996. According to its website, “NAM is dedicated to bringing the voices of the marginalized -ethnic minorities, immigrants, young people, elderly — into the national discourse.”
18. Verified Audit Circulation, AsianWeek Current Quarterly Submission (Publisher’s Statement), July-September 2008


20. Interview with Nikki Cranor, December 3, 2008


22. Phone Interview Epoch Times, September 2008


26. Phone Interview with Jenny Wong, Sing Tao Daily, October 2008

27. World Journal Media Kit. 2008

28. Phone interview with Kenneth Kim, New America Media, September 2008

29. Audit Bureau of Circulations, publisher’s statement for the period ending June 30

30. Korea Times is a newspaper based in Korea that publishes in both English and Korean and circulates in 160 countries, including the U.S.


*New America Media is a California-based association of ethnic news organizations founded by the nonprofit Pacific News Service in 1996. According to its website, “NAM is dedicated to bringing the voices of the marginalized -ethnic minorities, immigrants, young people, elderly — into the national discourse.”


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42. Magazine Publishers of America, Asian-American Market Profile, 2004


Native and Arab American

Native and Arab American Media

By the Project for Excellence in Journalism

Overview

Native American media enjoyed a milestone in 2008 with the debut of first tribal cable network, and radio ownership was poised for a sharp expansion. But there were also fears that the recession would weaken some of the vulnerable media outlets serving the population.

Loris Ann Taylor of Native Public Media, which represents the interests of Native American-owned radio stations, Native Voice One (satellite) and other media platforms, said that the economic downturn could have a “trickle-down effect and that any hardships being felt at the national level of media would be magnified throughout the Native American community. ... The economic downturn takes away buying power... tribal governments will reduce their workforces and people will have to reduce spending.”
At the close of 2008, however, there was anecdotal evidence that showed Native American media had not yet begun to see significant declines in operational revenues or staff cuts. Most experts expected to see the impact in 2009.

**Demographics**

The population of Native Americans is small and concentrated primarily in the West. Slightly more than 2.4 million people were identified as American Indian or Alaska Native, making up about 1% of the U.S. population in 2007, according to the latest estimates available from the U.S. Census Bureau.  

The Native American population has its greatest concentrations in California (689,000), Oklahoma (394,000) and Arizona (335,000).  

The population is notably poor. Native Americans have the second-lowest annual median household income: $35,343, just ahead of African Americans. That compares with a national median income of $50,740. They also have the highest percentage of people living in poverty. In 2007, more than a quarter of Native Americans (25.3%) lived below the so-called poverty line, compared with 10.2% of whites, 24.7% of blacks, 10.6% of Asians and 20.7% of Hispanics.  

There is little data on Native American media consumption, but according to experts, print and radio are the two most common sources of news information for Native Americans.  

According to Taylor, executive director of Native Public Media, a nonprofit organization that promotes Native American media ownership, “Radio works because it crosses over socio-economic barriers, across education, employment, gender and age, and is open to innovation and creativity that allows broadcasts in Native languages and encourages citizen engagement. It is a platform for a conversation, a sharing of ideas and concepts, discussion, debate, and dissemination of diverse ideas that can range from local tribal political issues, to high school sports to debates about environmental degradation or discussion about border-town racism.”

**Print**

The most widely read newspaper in the Native American community is Indian Country Today.  

The paper is a weekly published by Four Directions Media of the Oneida Nation. It is distributed nationally and is also available by subscription online with live streaming audio and podcasts.  

In 2008, Indian Country Today reported an average weekly circulation of 13,000, unchanged from the year before, Sabrina Sharkey, the paper’s audience development manager, told PEJ. The paper’s circulation figures are not audited by an outside agency.  

Heading into 2009, the paper’s executives were optimistic it would weather the recession. Heather Donovan, the paper’s sales manager, said that, as of October, ads sales had not declined significantly from 2007. This was due, she told PEJ, to a diligent effort to “replace old business that has left with new business.”  

As the economy worsens and larger national advertisers scale back, however, Donovan said the paper would have to work to replace the revenue. She used the example of the 2007 closing of Greenpoint Bank, one of Indian Country Today’s biggest ad spenders, and said the paper had found ways to recover and at least hold ad revenues steady in 2008.
Television

Native Americans do not own any commercial television stations in the U.S. and have had a hard time making inroads into the field, but they took a big step forward in 2008 with the creation of a cable channel.

In March, the Tulalip Tribe in Western Washington became the first Indian tribe with its own cable channel. The channel provides programming to subscribers to Tulalip Broadband, the tribe’s Internet and cable provider, as well as to a local cable station, KANU-TV 99. The station’s programming is also available as a live webstream to broadband subscribers anywhere.

According to the station’s website, KANU-TV’s programming “includes news and information directed to Tulalip tribal members and their families. In addition, there are other programs of general interest to all Native Americans.”

Radio

Native American radio appeared to be on the brink of growth. The number of tribes that had new license applications pending before the Federal Communications Commission saw a big increase.

In the largest campaign to increase Native American media ownership, Native Public Media began an effort in 2008 to more than double Native American communications. Thirty-eight tribes and organizations filed a total of 51 license applications with the FCC in 2007. At the end of 2008, 29 of those applications had been granted construction permits for new radio stations, according to Loris Ann Taylor, the group’s executive director. The rest, Taylor told PEJ, remain in situations where more than one applicant is competing for the same frequency. Typically, it can take months to negotiate and settle.

The 29 additional radio stations would bring the number of serving the Native American population from 33 in 2007 to 62. Still, With 562 federally recognized American Indian tribes and Alaska Native villages in the U.S., Native American ownership of radio stations is currently less than 0.3% of the more than 13,000 radio stations in the country.

“It is important to make sure Native Americans don’t just have access to media facilities, but have controlling interests in those facilities,” Taylor said. “When Natives tell their story, it is truthful and accurate and told through the voice of the Native American experience. It shows how having control of the ‘pen’ validates your own history and identity,” Taylor said.

There was concern, nonetheless, about the financial stability of these stations. Many Native American broadcast stations receive a large portion of their funding from the Corporation for Public Broadcasting and the National Telecommunications Information Administration, both which rely on congressional appropriations. It was feared that those funds would be affected by budget cuts.

Digital

The Internet is a more complicated medium for Native Americans. The number of online outlets grew in 2008, but that
did not translate into significantly greater usage among a population that has low rates of access to the Internet.

According to Taylor, only 69% of households on tribal lands have a telephone. 15

Online news sources targeting the Native American nevertheless are increasing. Reznet.com is a project of the University of Montana School of Journalism and receives much of its funding from the Knight Foundation. Reznet.com, an online news service, provides news articles, blogs and multimedia on current events throughout the Native American community.

Indianz.com is another online news service that provides original reporting as well as summaries of other news media. Indianz.com is owned by Ho-Chunk of the Winnebago Tribe of Nebraska and Noble Savage media, a Native American-owned media firm. 16

Election

Native American media also received a boost in 2008 because of the significance to the Native American population of the nomination and election of the country’s first African American president.

Not only did Native American media cover the story more heavily than other elections, but the native population also received more attention from the candidates and their surrogates than in past elections. During the 65th Annual Convention of the National Congress of American Indians in October, for instance, both Barack Obama and John McCain addressed the general assembly session of the conference by video and laid out their platform regarding Native American affairs. 17

Native Public Telecommunications, a nonprofit organization dedicated to the expansion of Native American media, teamed up with National Native News to defray some of the expenses for Indian Country Today to provide coverage tailored to the native community. 18 Native Public Telecommunications receives the bulk of its funding from the Corporation for Public Broadcasting, and National Native News is a daily radio program distributed by Native Voice One, a satellite distribution system that delivers Native American programming nationwide and is owned and operated by the Koahnic Broadcast Corporation in Anchorage, Alaska.

Indian Country Today, the most popular Native American Newspaper, sent reporters to Colorado to cover the Democratic National Convention in August. On Election Day, the paper’s online site offered coverage updated throughout the day from correspondents in states with large Native American populations: Colorado, Florida, Montana, Alaska and Oklahoma. Online the AIROS Network, an Internet radio service of Native Public Telecommunications and Native American-owned radio stations, provided news coverage from the native perspective before and throughout Election Day.

“This election symbolizes that a person of color can run for president,” said Loris Ann Taylor of Native Public Media. “For us, it isn’t such a huge leap for a Native American to be able to run for president now.” 19
Arab-American Media

Overview

Arab American media grew in 2008, reflecting the rapid growth in the population.

The number of newspapers increased and a new Arab American writers syndicate was organized.

In broadcast, Chicago got a new Arab American morning radio talk show host. There was mixed news, however, for Al Jazeera English.

Demographics

According to the Census Bureau, there were 1.2 million Arab Americans in the U.S. in 2000, the latest year for which data are available on the group. In the past however, these numbers have been called into question. When the Census released its first report on Arab Americans in 2003, some Arab American groups complained that the Census missed about 2 million people of Arab ancestry. The Arab American Institute estimates the population at 3.5 million.

Regardless of the exact figure, the Arab population has experienced substantial growth. Between 1990 and 2000, the Arab-American population grew 38%, according to Census estimates. That is faster than the 13% the overall U.S. population grew during the same time.

About half of the Arab American population is concentrated in five states: California, New York, Michigan, Florida and New Jersey.

The most recent median annual income estimates for Arab Americans are from the 2000 census. In that year, the census reported Arab American households having a median income of $47,000, above the $42,000 median for all households in the U.S. that same year.

Print

Arab American print media reflected that growth in 2008.

The number of Arab American newspapers increased to 85 in 2008 from 77 in 2007, a 10% increase, according to Ray Hanania of the National Arab American Journalism Association and a radio talk show host in Chicago.

Membership to the association, which was founded in 1999, experienced a jump in 2008 to 263 from 178 in 2007, a 48% increase.

In September, the National Arab American Journalists Association the Arab Writers Group Syndicate. The group was formed by Hanania and other prominent Arab-American journalists, including Ali Alarabi, Anisa Mehdi, Sherif Hedayat and Saffiys Shillo. According to its website, the syndicate aims to "feature daily commentaries and op-eds targeting mainstream American newspapers and publications."

The National Arab American Journalists Association also held a conference for Israeli and Palestinian journalists in Jerusalem in 2008, the second year the group has done so. It also joined with the Society of Professional Journalists to create an Arab Journalism section.

The Arab American News, a paper published in Dearborn, Michigan, calls itself the "largest, oldest and most respected Arab American newspaper in the United States." It is owned by Osama Siblani, who started the paper in 1984.
free paper reports an unaudited circulation of 30,000 in the Detroit area. The paper offers articles in English and Arabic and has contracts with Reuters and the Christian Science Monitor for wire news.

Aramica, one of the largest Arab-American newspapers on the East Coast, was started in 2002. It is a bilingual paper in English and Arabic published in Brooklyn, N.Y., and is distributed mainly in churches and mosques. The paper reported a nationwide circulation of 50,000. The majority of its copies are distributed in New York, New Jersey, Connecticut, Pennsylvania and Massachusetts, but the paper is also distributed in Washington, D.C., Virginia and Ohio. 30

**Al Jazeera English**

Al-Jazeera English is based in Qatar. The network, an American version of the Arabic cable channel broadcast in the Middle East, continued to have a difficult time in 2008 finding cable companies to carry it in the U.S. It also lost its most prominent American journalist when former Nightline correspondent Dave Marash resigned, saying he found an anti-American bias at the network. Al Jazeera’s Washington bureau chief Will Stebbins denied the station had such a bias. "Al Jazeera, he told the New York Times, “seeks to evaluate United States policy rigorously but ‘give everyone a fair shout.’” 31

At the end of 2008, Al Jazeera English was available in three cable markets — through Buckeye Cable in Toledo, Ohio; Burlington Cable in Burlington, Vermont, and Washington Cable in the District of Columbia. 32 It is also available in the U.S. on digital satellite on GlobeCast World TV.

The channel launched worldwide in 2006 with a potential reach to 80 million households, according to its new managing director, Tony Burman, formerly of the Canadian Broadcast Corporation. Within the first three years of operation, the channel grew to be available in 130 million households in 100 countries, Burman said in an interview with a newspaper in Qatar. 33

Burman himself was new. He took over the position in May and offered seemingly contradictory messages about the future. In one interview, he indicated plans to make the English-language outlet closer to its Arabic parent. “We are working to take advantage of the close relationship between Al Jazeera English and Arabic,” Burman told the same newspaper. “It is very important for both channels to enrich each other.”

In an earlier statement, Burman also said he would make efforts to make the channel appeal more to American audiences. “The reality is that Al Jazeera and Al Jazeera English are two different channels that cater to different audiences,” he told the International Herald Tribune in an interview that also appeared in The New York Times. 34

The network earned its first international Emmy nomination in current affairs and news categories. 35 The nomination came from the International Academy of Television Arts & Sciences for Al Jazeera’s coverage of the crisis in Myanmar and the Red Mosque siege in Pakistan. On its website, Al Jazeera English also began to offer mobile news alerts to cellphone users.

**Competition with Al Arabiya**

Al Jazeera was dealt a blow early in 2009 when one of its competitors, Al Arabiya, was chosen by President Barack
Obama as not only the first Arabic-language news network to be granted an interview by him, but as the first television network granted an interview by Obama as president. 36

The move was seen by many as an effort by the new president to reconcile America’s relationship with the Islamic world, but it surprised journalists across the world.

“It’s different from what we’ve seen in forever,” said Jamil Mroue, a Lebanese journalist and publisher. “This is his first official interview, and it’s addressed to Al Arabiya? It’s a logical extension of his inauguration speech, but it’s unprecedented.” 37

Al Arabiya is a 24-hour satellite news channel based in Dubai, United Arab Emirates, owned by Middle East Broadcasting Corporation, a Saudi media firm. 38

Talk Radio

As with many ethnic media, radio also is an important element in Arab American communication.

There are no exact numbers on how many radio programs are aimed at the Arab American population in the U.S., but the National Arab American Journalism Association put the number at 12 toward the middle of 2008. 39

But Arab American-targeted radio was not the only place the voices of Arab-Americans were being heard.

Radio station WJJG AM 1530 in Chicago got a new, Arab American voice on its morning show. He is Ray Hanania, a journalist, who now has a talk show Mornings with Ray Hanania. Although the show was not targeted specifically at an Arab-American audience, Hanania said it would discuss community issues in the Chicago area and also highlight Arab-American and Middle Eastern issues.

“I am a big believer in community news, community newspapers and community reporting and one important aspect of the show will be inclusion of community perspectives and news in our discussion,” Hanania said. 40

Footnotes


   Statement excludes those reporting to be American Indian/Alaska Native in combination with one or more other races.


   Statement excludes those reporting to be American Indian/Alaska Native in combination with one or more other races.

25. E-mail interview with Ray Hanania
26. E-mail interview with Ray Hanania
28. E-mail interview with Ray Hanania
Charts & Tables
Charts and Tables

Hispanic
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BET Pretax Profits
BET Viewership
Circulation of Top African American Newspapers
TV One Pretax Profits
TV One Viewership

Asian
Asian American Median Income vs. Other Races/Ethnicities 2007
The full report, *The State of the News Media 2009*, is available online at www.journalism.org. In addition to a more comprehensive look at the eight different media sectors, the full online report features a survey of online journalists that reveals how they feel about the future of their profession, a content analysis of more than 70,000 news stories in 2008, a study of citizen media in 46 communities, a special report on lessons learned from the election and more.
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LETTER FROM THE DIRECTOR


Our goals are to take stock of the revolution occurring in how Americans get information and provide a resource for citizens, journalists and researchers to make their own assessments. To do so we gather in one place as much data as possible about all the major sectors of journalism, identify trends, mark key indicators and note areas for further inquiry.

For each sector of journalism we have produced original research and aggregated existing data into a narrative on the state of journalism that we hope is the most comprehensive anywhere. The report also includes A Year in the News, a comprehensive content analysis of media performance based on more than 70,000 stories from 48 news outlets across five media sectors.

Our aim is a research report, not an argument. Where the facts are clear, we hope we have not shied away from explaining what they reveal, making clear what is proved and what is only suggested. When we have drawn conclusions, we hope we have done so only when the data are conclusive and in a way that the conclusions are fully documented. We hope that we are not seen as taking sides. Our intention is to inform, not to persuade. We have attempted, to the best of our ability and within the limits of time, to seek out multiple sources of information for comparison where they exist, and to be as transparent as possible in the process.

The full report is comprehensive, totalling more than 180,000 words. What you are reading here is an executive summary, with key findings in bullet form to offer a quick sketch of each media sector. The full report, available online at www.journalism.org, offers a general overview of the state of journalism as well as detailed examinations of eight separate sectors (newspapers, online, network television, cable television, local television, audio, magazines, and ethnic media). It also includes statistical data in an interactive format which allows users to customize their own graphics. In addition, there is an Interactive Topline for our Year in the News study that lets users explore the data for themselves.

This report is the work of the Pew Research Center’s Project for Excellence in Journalism, a nonpolitical, nonpartisan research institute. The study is funded by the Pew Charitable Trusts and was produced with the help of a number of authors and collaborators, including Rick Edmonds of the Poynter Institute and a host of industry readers.

Finally, the project could not have been completed without the extraordinary support, both financially and personally, of the Pew Charitable Trusts, particularly Don Kimelman, a trusted editor, and Rebecca Rimel, whose idea this report was in the first place.

Tom Rosenstiel
Some of the numbers are chilling.

Newspaper ad revenues have fallen 23% in the last two years. Some papers are in bankruptcy, and others have lost three-quarters of their value. By our calculations, nearly one out of every five journalists working for newspapers in 2001 was gone by the end of 2008, and 2009 may be the worst year yet.

In local television, news staffs, already too small to adequately cover their communities, are being cut at unprecedented rates; revenues fell by 7% in an election year—something unheard of—and ratings are now falling or are flat across the schedule. In network news, even the rare programs increasing their ratings are seeing revenues fall.

Now the ethnic press is also troubled and in many ways is the most vulnerable because so many operations are small.

Only cable news really flourished in 2008, thanks to an Ahab-like focus on the election, although some of the ratings gains were erased after the election.

Perhaps least noticed yet most important, the audience migration to the Internet is now accelerating. The number of Americans who regularly go online for news, by one survey, jumped 19% in the last two years; in 2008 alone traffic to the top 50 news sites rose 27%. Yet it is now all but settled that advertising revenue—the model that financed journalism for the last century—will be inadequate to do so in this one. Growing by a third annually just two years ago, online ad revenue to newspapers it is declining.

What does it all add up to?

Even before the recession, the fundamental question facing journalism was whether the news industry could win a race against the clock for survival: could it find new ways to underwrite the gathering of news online, while using the declining revenue of the old platforms to finance the transition?

In the last year, two important things happened that have effectively shortened the time left on that clock.

First, the hastening audience migration to the Web means the news industry has to reinvent itself sooner than it thought—even if most of those people are going to traditional news destinations. At least in the short run, a bigger online audience has worsened things for legacy news sites, not helped them.

Then came the collapsing economy. The numbers are only guesses, but executives estimate that the recession at least doubled the revenue losses in the news industry in 2008, perhaps more in network television. Even more important, it swamped most of the efforts at finding new sources of revenue. In trying to reinvent the business, 2008 may have been a lost year, and 2009 threatens to be the same.

Imagine someone about to begin physical therapy following a stroke, suddenly contracting a debilitating secondary illness.

Journalism, deluded by its profitability and fearful of technology, let others outside the industry steal chance after chance online. By 2008, the industry had finally begun to get serious. Now the global recession has made that harder.
This is the sixth edition of our annual report on the State of the News Media in the United States. It is also the bleakest.

Much of what we have noted before holds. The old media have held onto their audience even as consumers migrate online. In 2008, audience gains at sites offering legacy news were far larger than those for new media. The old norms of traditional journalism continue to have value. And when you look at the numbers closely, consumers are not just retreating to ideological places for news. The problem facing American journalism is not fundamentally an audience problem or a credibility problem. It is a revenue problem—the decoupling of advertising from news.

That makes the situation better than it might have been. But audiences now consume news in new ways. They hunt and gather what they want when they want it, use search to comb among destinations and share what they find through a growing network of social media. And the news industry does not know—and has done less than it could to learn—how to convert this more active online audience into revenue. There are growing doubts within the business, too, about whether the generation in charge has the vision and the boldness to reinvent the industry. It is unclear, say some, who the innovative leaders are, and a good many well-known figures have left the business. Reinvention does not usually come from managers prudently charting course. It tends to come from risk takers seeing what others cannot. We did not see much of it when times were better. Times are harder now.

**MAJOR TRENDS**

Beyond our broadest conclusions, we identify six new trends emerging in 2009, which build off those we have identified in past years.

- The growing public debate over how to finance the news industry may well be focusing on the wrong remedies while other ideas go largely unexplored. Much of the discussion has centered on whether consumers would make micro-payments for online content and the possibility of nonprofits assuming ownership of the press. The micro-payment idea, however, was already tried and rejected by users early on and has run headlong into resistance from online advocates. Nonprofit financing, even with ad revenue, may make sense in targeted subject areas—health or investigative reporting, for instance—but it is unlikely that there is enough funding to become a general ownership model. The scale of the commercial media is too large and the potential losses too great. A host of other ideas, with more potential, are worth considering. While hardly a complete list, they include: 1. Adopt the cable model, in which a fee to news producers is built into monthly Internet access fees consumers already pay. News industry executives have not seriously tested this enough to know if it could work, but these fees provide half the revenue in cable. 2. Build major online retail malls within news sites. This could both create a local search network for small businesses and link them directly with consumers to complete transactions, not just offer advertising—with the news operation getting a point-of-purchase fee. 3. Develop subscription-based niche products for elite professional audiences. These are more than subject-specific micro-sites. They are deep, detailed, up-to-the-minute online resources aimed at professional interests, and they are a proven and highly profitable growth area in journalism. There are other ideas as well, including news companies collaborating to seriously challenge aggregators, especially Google, to start sharing more revenue. Several new revenue streams most likely are needed. The closest thing to a consensus right now is that no one source is a likely magic bullet.
Power is shifting to the individual journalist and away, by degrees, from journalistic institutions. The trend is still forming and its potential is uncertain but the signs are clear. Through search, e-mail, blogs, social media and more, consumers are gravitating to the work of individual writers and voices, and away somewhat from institutional brand. Journalists who have left legacy news organizations are attracting funding to create their own websites. Experiments like GlobalPost are testing whether individual journalists can become independent contractors offering reporting to various sites, in much the way photographers have operated for years at magazines. It would be a mistake to overstate the movement at this point. But for a few journalists at least, there are signs of a new prospect: individual journalists, funded by a mix of sources, offering expert coverage to many places. The movement offers the possibility of more skilled reporting from the field. Yet it would also require consumers to be discriminating and raises questions about how news organizations would ensure quality and reliability.

On the Web, news organizations are focusing somewhat less on bringing audiences in and more on pushing content out. The shift reflects the news industry more fully recognizing the viral nature of the Web and the rise of social media. What began as a few podcasts, RSS feeds and e-mail alerts a year or two ago has mushroomed into a more serious emphasis on developing multiple forms of distribution. One form involves helping citizens grab and share information with one another. Another involves placing content on as many platforms as possible. Most news websites now have links attached to stories so readers can more easily share that content, and many have gone further, creating their own Twitter or Facebook accounts to put more content into consumers’ hands and allow them to pass it along. News Corp. and NBC Universal jointly purchased Hulu.com—a site where users can view streaming video free of cost—giving both companies another outlet for their products. The economics of all this is unresolved and home websites still matter. The industry is also late in arriving. But the movement represents a dawning realization that the nature of the Web is something the news industry cannot fight and might even begin to employ.

The concept of partnership, motivated in part by desperation, is becoming a major focus of news investment and it may offer prospects for the financial future of news. Partly to cut costs, partly to make up for lost or more narrowly focused content and partly an effort to remain relevant, news organizations are beginning join forces with institutions they once saw as rivals. Papers in South Florida and Texas now share copy rather than simply compete. The local television affiliates of NBC and Fox are sharing video of breaking news events. Online, CBS Radio began a joint venture with AOL and Yahoo, pooling its stations together on one platform. The efforts are just taking root and, as with other experiments, there is little sign yet of how much success there could
be in attracting new audiences or revenue. But the partnerships represent a small step toward individual companies in trouble beginning to pool ideas and resources in a way they traditionally have resisted. The move toward partnership also reflects change of another sort. The appeal of a news organization in the future increasingly will be not just the content it produces but also the fuller package of information it assembles from multiple sources.

Even if cable news does not keep the audience gains of 2008, its rise is accelerating another change—the elevation of the minute-by-minute judgment in political journalism. In 2008 cable news came close to becoming the primary television platform of American political discourse. It was the only medium to be a clear winner in 2008, profits rising by a third and audiences growing 38%. But with cable’s singular fascination on politics, the biggest impact may be a sense of accelerating journalistic judgment. The minute-by-minute assessment of daily campaign maneuverings, mainly offered by partisan spin doctors in ways deliberately coarse and provocative, are now snap judgments about governance. The notion of a media honeymoon has become passé. The journalist who earned perhaps the most attention in Obama’s first month was a cable news financial “editor” who ranted on a Chicago trading floor, became a YouTube star and accused the White House of “threatening” him when Obama’s press secretary chastised him by name. Add to that the rising role of blogs, and now political figures “tweeting” from the Senate and House floor their immediate personal reactions. Even President Barack Obama has warned the press and public about listening to “cable chatter” and cautioned Republicans not to take their marching orders from Rush Limbaugh, whose role as a political leader is now news. Incrementally, it feels as if the line between unfiltered personal thought and public discourse is evaporating a little more.

In its campaign coverage, the press was more reactive and passive and less of an enterprising investigator of the candidates than it once was. In 1992, the Washington Post produced 13 major profiles examining the past record and biography of the eventual winner of the race. In 2008, the paper’s ombudsman found, it produced three. At the Los Angeles Times, the number of such enterprise stories about the winning candidate fell by two-thirds. Many factors have contributed to this less pro-active press. Smaller newsrooms leave people less time for enterprise. Blogs and websites are deep wells of information, but they consume time and attention. The campaigns have become more disciplined about controlling their message, keeping their distance and putting out their own information directly to the public. Similar to 2000, most of what we know about the new president came from his campaign rather than from media enterprise. And very quickly his political agenda, whether changed by events or there but not always clear, has proved more sweeping than advertised.
WHO FARED BEST (AND WORST) IN 2008?

Looking across the various media sectors at audience and economic shifts, it is clear that in 2008 cable news was the big winner. With both ad revenue and audience gains of more than 25%, the three cable news channels stood far above all other news media. Online news also showed growth in both areas, but display advertising, on which news largely depends, grew a mere 4% through the first three quarters of 2008 and was expected to show declines once year-end figures are final. And, except for very slight audience growth in audio, all other sectors saw declines in both ad spending and audience, with newspapers and print magazines faring worst.

Note: The various media sectors use slightly different metrics to measure economic and audience growth. In order to create the most accurate comparison here, we used the percentage change for each industry rather than total figures. Also, whenever possible we used like measurements, for instance mean audience figures from Nielsen Media Research for both cable and network news. For detailed footnotes on the sources of data, please visit the Key Findings section of the report online: http://www.stateofthenewsmedia.com/2009/narrative_overview_keyindicators.php?cat=2&media=1#.
The newspaper industry exited a harrowing 2008 and entered 2009 in something perilously close to free fall. Nearly all papers are now cutting so deeply and rapidly that simply coping with the economic downturn has become a major distraction from efforts to reinvent the economics of the business. The industry over all in 2008 remained profitable. The question is: can newspapers beat the clock? Can they find a way to convert their growing audience online into sufficient revenue to sustain the industry before their shrinking revenues from print fall too far?
AUDIENCE

- Circulation fell 4.6% daily and 4.8% Sunday for the latest period compared with a year earlier to roughly 48 million copies sold.
- Traffic to newspaper websites is growing. Unduplicated Web audiences are now estimated to add 8.4% to the average newspaper’s readership, making up most, but not all, of the print audience decline.
- The number of different people who visited newspaper websites each month—unique visitors—rose 15.8% to 65 million in the third quarter of 2008 from a year earlier, according to Nielsen Online. Page views rose 25.2%.

ECONOMICS

- Total ad revenue fell 16%, to $38 billion, in 2008. That is down 23% from just two years ago. Even online ads—once the great hope—fell 0.4% in 2008 and amounted to less than 10% of ad revenue.
- Several papers cut back home delivery certain days of the week to save on production and delivery costs. A few stopped printing altogether, becoming online-only.
- But, going all-digital is not likely to become widespread anytime soon. Papers still make roughly 90% of their ad revenue from print and, although the numbers vary by paper, the cost of printing and delivering the printed newspaper averages only 40% of costs.

NEWS INVESTMENT

- We estimate that roughly 5,000 full-time newsroom jobs were lost in 2008, about 10%. By the end of 2009, the newsrooms of American daily newspapers may employ somewhere between 20% and 25% fewer people than in 2001—with higher losses at big-city metros.
- The impact was especially severe on overseas bureaus, in state capitals and in Washington. Half the states no longer have a newspaper with staff based in Washington, D.C.

Daily and Sunday Circulation Declines
Percent declines in circulation by six-month period 2003-2008

Source: Deutsche Bank Securities
OWNERSHIP

- The stock of publicly traded newspaper companies fell 83% in 2008.
- The Rocky Mountain News closed in February 2009, and the Seattle Post-Intelligencer appeared close to following in March. There is not yet a major city without a newspaper, but that, too, could be coming soon.
- GateHouse Media was effectively broke by mid-2008, The Tribune Company filed for bankruptcy reorganization in December and Journal Register, Philadelphia Newspapers and the Minneapolis Star-Tribune went into bankruptcy early in 2009.

ALTERNATIVE WEEKLY PAPERS

- The 130 member papers of the Association of Alternative Newsweeklies reported a combined weekly circulation of 71 million as of June 2008, down about 400,000, or slightly more than 5%, from 2008.
- One of the largest chains of alternative weeklies, Creative Loafing, sought to restructure its debt under Chapter 11 bankruptcy.
We may well look back at 2008 as milestone for the Web as a news destination. As a source for national and international news survey data indicates the Web surpassed all other media except television. But it became patently clear that the primary economic model that financed journalism in the old media, advertising, will not do so in the new. Online advertising over all began to slow, especially display advertising, the primary ad-revenue source for news.
AUDIENCE

- The top 50 news websites saw traffic for the year grow 27%, according to PEJ’s analysis of comScore data, while all 700 news and information sites monitored grew 7%. The top four news sites—Yahoo, MSNBC.com, CNN.com and AOL—saw average unique monthly visitors grow 22% to 132 million. That was twice the rate of increase for 2007.
- The number of Americans who said they got “most of their national and international news” online increased 67% in the last four years, according to a Pew Research Center survey.

ECONOMICS

- Online ad spending grew to 10.6% in 2008, to $23.4 billion, but most of that benefited Google and other providers of search advertising. Sales of banner and other display ads that news websites depend on increased just 4%.
- Display ad rates are falling as the number of websites grows. The cost to reach 1,000 viewers fell by 48% in 2008 alone, to an estimated average of 26 cents.
- Over the past decade, the share of Internet advertising derived from local businesses has doubled, but most of those ads (57% in 2007) now go to national Internet-only sites like Google and Yahoo, not to local news organizations.
- Looking ahead, 2009 is expected to be the first year since the start of the decade in which some components of interactive advertising will show little or no growth, according to Borrell Associates, a media research firm.

OWNERSHIP

- The Web is still dominated by big media. Of the 25 most-visited news websites, 22 were owned by the richest 100 media companies.

Top News Sites

Average monthly unique visitors, 2007 vs. 2008

<table>
<thead>
<tr>
<th>Website</th>
<th>2007</th>
<th>2008</th>
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<tbody>
<tr>
<td>Yahoo News</td>
<td>45</td>
<td>40</td>
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<tr>
<td>MSNBC News</td>
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<td>35</td>
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<tr>
<td>CNN News</td>
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<tr>
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<td>Tribune Papers</td>
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<tr>
<td>USA Today</td>
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</tbody>
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Source: comScore, Inc
in 2008, based on an analysis of data from Advertising Age and Nielsen Online.

- Beyond the three big companies—Google, AOL and Yahoo—mergers and acquisitions in the online media and technology sector fell 6% in number and 7% in value in the first three quarters of the year, though it remained the busiest media sector for deal making.

**NEW VENTURES**

- Citizen news sites that do original reporting gained some steam in 2008, especially in areas where traditional coverage has vanished. But they remain far from a substitute for legacy media. A study that compared citizen news sites with legacy websites and blogs found that their range of topics is narrower, the sourcing thinner, and the content often not updated even once a day. And these sites produced less news over all.

- The study found the content on the three types varied fairly sharply. Legacy sites provided the greatest percent of news (89%), close to double that of citizen news sites (56%), and three times that of blog content (27%).

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**Online Ad Spending Projections**

Search ads to grow faster than display ads used by news websites

Source: eMarketer, November 2008
Two years into a new generation of anchors, it is now clear that changing the cast and even the content of the programs will not change the fundamental dynamics of network news. In a big news year in 2008, audience numbers continued to fall, both for morning and evening, though more slowly than in the past. Only one of the three network news divisions, NBC, appeared to bring in a significant profit in 2008. Now, the network model of providing programming to local stations is in question.
AUDIENCE

- The decline in the three commercial evening newscasts slowed in 2008 to just 1%—or 273,000 viewers (compared with a million lost annually over the last two decades).
- NBC Nightly News with Brian Williams became the clear leader in ratings, with an average of 8.6 million viewers, up 3% from the year before. ABC’s World News Tonight with Charles Gibson lost 3% and averaged 8.1 million while CBS Evening News with Katie Couric suffered the largest audience losses, 5%, drawing an average of 6.1 million a night.
- The combined audience for the morning news programs fell for the fourth year in a row to an average of 13.1 million viewers a day. NBC’s Today Show, the longtime leader, gained viewers while the others lost.

ECONOMICS

- Network news divisions, already under long-term pressure, were hit even harder in 2008. The faltering economy sent them scrambling to trim earnings estimates and cut costs.
- It is quite possible that NBC News was the only news division in 2008 to have been a significant profit center. By one accounting, NBC, MSNBC and MSNBC.com may have returned pre-tax profits of $400 million. At ABC and CBS, revenues were probably greater than expenses, but not by much.

NEWS INVESTMENT

- By the end of 2008, all three networks had eliminated full time reporters in Iraq. Heading into 2009, further newsroom cuts were on the way, both at home and abroad.

NEWS MAGAZINES

- The five television network news magazines saw their combined, average audience shrink by 7%, to 27 million, along with their share of the prime-time lineup.
- Only 60 Minutes thrived in 2008. Its weekly viewership was almost twice that of its next biggest rival.

Evening News Household Ratings Over Time
1980-2008, November to November

Source: Nielsen Media Research, used under license
While many media sectors struggled, cable shined. CNN, Fox News and MSNBC all gained viewers and were projected to see record profits. And each expected to increase spending on news-gathering and bureaus around the world. Much of the audience gain was attributed to the presidential election, and the channels’ concerted effort to brand themselves as the place to follow the campaign, but some of the audience gains continued into 2009.
AUDIENCE

- The average or mean monthly audience of the three major news channels throughout the day and evening grew by 38%, to a new high of 2.2 million. (Median, our preferred measure, grew 26%.) After the election, the audience began to drift away. But a bump in early 2009 brought the average back up slightly.

- In primetime, the median audience across all three channels grew by 35% to 3.6 million—its highest point ever. Fox News, the ratings leader, grew the least as a percent (28%) but had the greatest net gain in viewers. CNN, up 43%, narrowed the gap with Fox News and expanded its advantage in cumulative audience—or the number of different viewers each month. MSNBC remained in last place but had the greatest rate of growth (57%) and by year’s end passed Fox in cumulative audience.

ECONOMICS

- Pre-tax profits in 2008 for the three major news cable channels were expected to grow by a third over the year before, to $1.1 billion. A big source of the 2008 revenue gain was campaign ads, which ended with the election.

- CNN, including its sister channel HLN, was projected to earn profits of $470 million in 2008, up 35% from 2007, according SNL Kagan. Fox News was close behind with $447 million in profit (up 30%). Third place MSNBC was expected to post a profit of $135.4 million (up 23%).

- Half of cable revenues come from subscription fees built into monthly cable bills, which insulates the channels from downturns in ad rates and spending. CNN still commanded the highest rates, equal to 47 cents per subscriber per month. Fox was catching up (42 cents). MSNBC charged 15 cents.
NEWS INVESTMENT
- All three major cable channels were on a pace to increase their investment in newsgathering by an average of 7%, according to estimates by SNL Kagan.
- CNN established one-person bureaus in 10 U.S. cities and announced the creation of a news service.

OTHER CABLE CHANNELS
- Both CNBC and Fox Business Network (FBN) saw strong ratings growth and expanded programming. When the financial crisis hit full-force in September, CNBC ratings were 10 times greater than those of FBN.
- The third major player in business cable news was Bloomberg TV. But in February 2009, the company announced it would be making its first layoffs since Bloomberg LP was founded in 1981. The layoffs — about 100 — were to be chiefly from its U.S. television and radio staff.

DIGITAL TRENDS
- Like their television programs, the major cable news channels’ websites attracted record audience in 2008, driven in a large part by the political and economic news events of the year.
- MSNBC.com remained the most popular site associated with a cable network and was second only to Yahoo News as the most-visited news site. MSNBC.com posted a 34% increase in its audience to average 39 million unique visitors per month, according to Nielsen Online.
- CNN.com remained behind MSNBC.com in audience size, but posted an audience increase of 18%, to 36.3 million unique monthly visitors.

Cable News Profitability
1997-2008, by channel

Source: SNL Kagan, a division of SNL Financial LLC
CNN figures include CNN Headline News; all figures are estimates
LOCAL TV

ormally local television stations can expect a windfall in election years from political advertising – and sometimes even a boost in ratings. Not so in 2008. Viewership declined or was flat for most newscasts, and projections called for revenue to fall from 2007, a non-election year. By some estimates, profit margins were reduced by 40%. There were even signs during the year that the traditional relationship between networks and their affiliates could be nearing an end.
AUDIENCE
- Local television remained the nation’s most popular source for news in 2008, but, on a percentage basis, it was among the biggest losers in audience. Just over half of Americans are now regular viewers (52%), according to a Pew Research Center survey, down from nearly two-thirds (64%) a decade earlier.
- Viewership of local evening newscasts, those around the dinner hour, fell by an average of 4.5%, according to a PEJ analysis of Nielsen ratings data. In late news, after prime time, the numbers fell in all four sweeps periods. Morning and mid-day newscasts held stable.
- Share, the percentage of people watching television who are tuned to local news, also fell three of the four sweeps months for early evening newscasts.

ECONOMICS
- Local television ad revenue fell 7% from the year before, and was expected to fall another 7% to 11% in 2009, according to the Television Bureau of Advertising. Stations were particularly hurt by the collapse of the auto industry, its biggest advertiser, and political advertising totaled a disappointing $2 billion—the same as in the mid-term election year of 2006.
- Station owners faced growing competition from local cable channels for advertising. For 2007 to 2012, local ad revenue is projected by media analysts Veronis Suhler Stevenson to grow at a compound annual growth rate of 8.8% for local cable, and only 0.2% for local television.
- The delay in the switch to digital transmission from February 2009 to June added to financial strain; stations had to pay to keep analog equipment working and delay digital upgrades.
**NEWS INVESTMENT**
- Stations reported that they expected to air the same amount of news in 2008 as the year before: an average of 4.1 hours each weekday. A majority expected no increase in 2009, either. This represents a reversal from prior years.
- Fewer stations reported hiring, and the median staff size slid to 28 from an all-time high of 30 the year before, according to a 2007 survey of news directors. By the end of 2008, layoffs were accelerating. There was evidence that high-priced anchors were especially vulnerable to cutbacks.

**OWNERSHIP**
- With credit tight and revenues declining, the number of television stations sold was half the figure reported the year before and the lowest since 2004. According to one account, 96 stations were sold from January to December 2008, with a total value of $866 million. This compared with 294 in all of 2007 for a value of $2.9 billion. The stock values of publicly traded companies that own stations also plunged.

**DIGITAL TRENDS**
- Growth in online advertising revenues from websites owned by local television stations slowed sharply in 2008. In March, the market research firm Borrell Associates projected 47% growth (to $1.1 billion industry-wide), but reduced those expectations eight months later to 8% (to about $833 million).
For American news magazines, 2008 may be seen as the year when the traditional mass audience model finally collapsed. U.S. News & World Report effectively abandoned the weekly print news magazine format in favor of producing monthly guides, leaving news coverage to its website. Newsweek announced in February 2009 that it was remaking itself into a niche publication. Time continued to straddle two worlds, keeping a smaller but still large audience base while shifting to more thematic coverage driven by columnists and analysis.
AUDIENCE

- Of the eight news magazines PEJ tracks, circulation dropped 4.8%, according to the Audit Bureau of Circulations. Newsweek fell the most, down 13% to 2.7 million copies per week in the first six months of 2008, from the same period in 2007. U.S. News & World Report fell 10% to 1.8 million. Time had a negligible decline, down three-tenths of 1 percent, to 3.4 million.
- The Economist added circulation for the third year in a row, up 8% to an average of 747,254 per issue in the first six months of the year versus the same period a year earlier. The Week increased 2%, to more than 500,000. The Atlantic was up 12% to nearly 400,000.
- Overall, the audience for magazines of all kinds decreased by 7% in 2008.
- According a survey by the Pew Research Center, less than a quarter of American adults said they read a magazine of some kind the day before—down from a third in 1994. For news magazines specifically, 12% reported reading one “regularly,” down 2 percentage points from 2006.

ECONOMICS

- Ad pages were down 16% for news magazines in 2008 compared with the previous year, according to estimates from the Publishers Information Bureau. Just one news magazine studied, The Economist, succeeded in increasing ad pages in 2008.
- Both Time’s and Newsweek’s ad pages were down 19%. U.S. News & World Report’s ad pages fell 32%.
- Across the 251 magazines analyzed by the Publishers Information Bureau, ad pages were down 12% through the first three quarters of 2008, compared with a 1% drop in the same period in 2007.

Circulation For the Big Three News Magazines Over Time
1988-2008

![Graph showing circulation for Time, Newsweek, and U.S. News over time from 1988 to 2008.](source: Audit Bureau of Circulations. 2008 figures based on publisher’s statements for the first half of 2008.)
OWNERSHIP

- For the second year in a row, fewer new magazines were introduced and sales dwindled. There were 42 mergers and acquisitions among consumer magazines, a drop of 25% from the year before and the smallest total since 2001, and the value of the deals fell a staggering 97%.

- Advance, owner of Condé Nast magazines, was the top-earning magazine owner based on 2008 rankings, with $3.9 billion in revenue, topping Time Warner’s magazine division, Time Inc., at $3.6 billion. Hearst followed with $2.3 billion.

OPINION TITLES

- As the Democratic tide rose in 2008, the conservative opinion magazines National Review and The Weekly Standard both boosted circulation, while the liberal journals The Nation and The New Republic saw slight declines.

- Less than two years after selling The New Republic to Canada’s largest media company (CanWest), long-time editor-in-chief Martin Peretz emerged among a group of private investors who bought it back in early 2009.

DIGITAL TRENDS

- According to Veronis Suhler Stevenson, digital ad revenue represented just 2% ($542 million) of all magazine revenue in 2007, compared with 41% from circulation ($10 billion) and 58% ($14 billion) from advertising.

- The share from digital revenues was projected to increase to about 3% in 2008, but the growth rate is expected to taper off over the next four years. In short, the Web will not be the future of the magazine industry, at least according to current view.

Unique Monthly Visitors for Select Magazine Web Sites
November 2006; November 2007; November 2008

Source: Nielsen
In November 2006 The Atlantic did not meet the minimum requirement for measurement
To a greater degree than some other media, radio seems well suited to the digital transition. Voice and music move easily on new platforms. And audio has done better at holding its audience than some other sectors. Traditional AM/FM radio is still the dominant way people listen, although its hold has been slipping as people tune in from computers and mobile devices and shift toward listening to what they want, when they want it. How news will fare amid the changes remains to be seen.
**AUDIENCE**

- AM/FM radio audiences either grew slightly or fell depending on how you count them. Arbitron reported a small rise in the audience for news and talk programs, up 2% to 48 million. But Pew Research Center survey data show small declines in the number of people who said they listened to radio news the day before (to 35% in 2008 from 36% in 2006).
- Sirius XM, the satellite radio company forged in the merger of the industry’s two pioneers, expected to finish the year with 9.2% more subscribers than the two companies had the year before.
- Podcasting is growing. According to survey data from Pew Internet and American Life Project, 19% of people reported they had downloaded a podcast in 2008; up from 12% in 2006. Of the top 10 most listened-to podcasts, only 3 are categorized as news and politics.

**ECONOMICS**

- Traditional radio revenue fell 7% in the first nine months of 2008, compared with the same period of 2007, according to the Radio Advertising Bureau. That is more than three times the 2007 drop, with both local and national advertising in decline.
- Those drops were mitigated by gains in revenue from other sources associated with radio stations, particularly Internet, billboards, concerts and other off-air sources. But the vast majority, 90%, still comes from on-air revenues.

**NEWS INVESTMENT**

- Radio news, already operating at a fraction of the size it did decades ago, seems headed into another period of contraction brought on by drops in local ad spending. Newsrooms—which already average only slightly more than two people while producing news for three stations—were expected to shrink further.
Even the nonprofit National Public Radio announced layoffs—7% of its staff of nearly 900—and canceled two programs.

In 2007, the number of minorities working in radio rose to 12%, up from 6% a year earlier, according to the survey data from Hofstra University and the Radio Television News Directors Association. Those changes could be a function of vagaries in the sample, but in any event indicate a relatively low percentage.

Ownership

While the biggest player, Clear Channel Communications, completed its sale to private equity investors in 2008, an expected surge of such deal making failed to materialize.

In satellite radio, the two pioneers joined to form Sirius XM Radio, but the wilting economy soon forced them to accept a white knight investor to avoid defaulting on debt payments.

Talk Radio

The number of radio stations that carry at least some talk shows, which includes everything from political talk to advice, grew by a third in 2008, to 2,056 from 1,370 the year before, according to Inside Radio magazine.


The news was not so good for liberals. The biggest syndicated liberal talker, Ed Schultz, was down to 3 million listeners, from 3.25 million in 2007, according to Talkers Magazine.

Audio Revenue: Growth Projections

Source: Veronis Suhler Stevenson, “Communications Industry Forecast 2008-2012”
For a sector that had been among the brighter spots in journalism, ethnic media’s year might best be described as bittersweet. There were stories of revenue losses, business closings and reorganizations, and also of ethnic media faring better than the mainstream press. Barack Obama’s candidacy led to substantial investments in news coverage by African American and Hispanic media. And some sectors of the Spanish-language media saw an increase in campaign ad dollars. As signs of the recession deepened, however, the prospect of further losses in ad revenue posed a particularly serious threat to smaller organizations.
**HISPANIC**

- Of the three biggest Spanish-language dailies, two experienced slight circulation declines but not nearly the 4.6% drop experienced by mainstream newspapers in the United States. The third, and biggest, La Opinión of Los Angeles, dropped considerably, something the editor attributed to a price increase.
- ImpreMedia, a group of Spanish-language newspapers, launched Impre.com, a major online news portal hoping to appeal to the growing number of Hispanics online.
- In television, Univision again outperformed its English-language counterparts in prime-time programming and in news ratings in key markets. Its rival, Telemundo, enjoyed a boost in ratings and struck a deal to export programming to Mexico.
- Seattle’s Sea Latino launched national editions in key markets with the ambitious goal of being the “USA Today of the nation’s Hispanics.”

**AFRICAN AMERICAN**

- Among the 189 papers that belong to the Black Press of America, average weekly circulation was 250,000—half of what it was in 2000. One of the last of the African American dailies, the Chicago Defender, converted to a weekly publication cycle.
- Among magazines, Ebony’s circulation increased 3% to 1.5 million. Jet increased 2% to 929,599. And Black Enterprise, a business magazine, had an increase of 2%, to 530,655 copies.
- All three black cable networks extended their reach—or availability in households—in 2008 according to data from SNL Kagan. The biggest, BET, was available in 90.5 million households in 2008, an increase of 3%.
- Radio One, the largest black-owned radio broadcasting company that targets African American and urban listeners, reported growing losses that prompted the company to sell some stations and invest in digital businesses.

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**Circulation of Major Spanish-Language Dailies**

For the six month period ended September 30, 2001-2008

- La Opinion
- El Nuevo Herald
- El Diario/La Prensa

Source: Audit Bureau of Circulation publisher’s statements
**ASIAN AMERICAN**

- Asian print media saw success in some quarters—particularly large papers and online—and trouble in others. But one of its largest weekly newspapers, AsianWeek, folded.
- New Tang Dynasty, a New York-based nonprofit that described itself as the only independent television station broadcasting into China, found itself effectively blocked from that country in a dispute with the Chinese authorities.
- Cable giant Comcast closed AZN Television, which had been promoted as a “network for Asian America.”

**NATIVE AMERICAN**

- Native American media enjoyed a milestone in 2008 with the debut of the first tribal cable network.
- An effort to expand radio ownership among Native Americans bore fruit in 2008. Thirty-eight tribes and organizations filed a total of 51 license applications with the FCC and 29 of those applications had been granted construction permits at the end of 2008 for new radio stations.

**ARAB AMERICAN**

- The number of Arab American newspapers increased 10% to 85 in 2008, according to the National Arab American Journalism Association.
- At the end of 2008, Al Jazeera English was available in three cable markets—Toledo, Ohio, Burlington, Vt., and the District of Columbia. It is also available in the U.S. on digital satellite on GlobeCast World TV.

### Circulation of Top African American Newspapers 2006-2008

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York Amsterdam News</td>
<td>35,000</td>
<td>30,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Afro-American Wash. and Balt edition</td>
<td>30,000</td>
<td>25,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Philadelphia Tribune</td>
<td>25,000</td>
<td>20,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Source: Audit Bureau of Circulations Publisher’s Statements for the six-month period ending September 30</td>
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</tbody>
</table>
What kind of news menu did the mainstream media offer the public in 2008? An analysis of about 70,000 stories from 48 separate news outlets in five different sectors identifies key characteristics of coverage in a year dominated by two mega-stories. Among the findings overall:

- The media were slow to track and recognize the dimensions of an economic downturn, and largely did not see the banking and financial crisis coming. In the second quarter of the year, fully 47% of all the economic coverage PEJ studied concerned rising gas and energy prices, an issue that was not central to the economy’s problems. The press also drifted away from covering the economy right before the September collapse. In August, the economy filled just 5% of the newshole—down from 11% in June and 14% in July and its low point for the year.

- What was a narrow news agenda in 2007 constricted even further in 2008. Two stories—the presidential election and economic crisis—accounted for half of all the coverage studied last year. A year earlier, the top two stories (the Iraq war and the campaign) filled about half that much space. At the same time, media attention to a range of foreign and domestic topics in 2008 decreased. Coverage of Iraq dropped by more than 75%.

- Cable news provided the most limited range of coverage in 2008. Roughly two-thirds of the cable prime-time programming studied (65%) was devoted to the election—almost twice as much as the media over all. And within the cable universe, MSNBC lived up to its “Place for Politics” slogan by devoting 80% of its prime-time air on the election, far more than CNN (62%) and the Fox News Channel (57%).

- The ideological leanings of the cable hosts not only affected what they said about the candidates but what aspects of the campaign they talked about. On the Fox News programs hosted by conservatives Bill O’Reilly and Sean Hannity, for example, Barack Obama’s connec-
tion to Reverend Jeremiah Wright was the top campaign storyline of the year. On the MSNBC shows hosted by liberals Keith Olbermann and Rachel Maddow, by contrast, a favored subject (No. 2 after the economy) was John McCain’s attacks on Obama.

■ By mining the local angle to big stories, the nation’s smaller daily newspapers (circulation under 100,000) provided more coverage of both the economic meltdown and the war in Iraq than their bigger print counterparts. They offered the most front-page newspaper coverage of the economic meltdown (26% vs. 18%), and the Iraq war (8% vs. 5%)—largely by portraying the impact of these stories in their own communities.

■ The morning and evening network newscasts provided substantially different coverage of the election. The morning shows Today, Good Morning America and the Early Show devoted more airtime to the election (37% versus 27% on their evening counterparts). They also focused more on the horse race aspects of the campaign (70% compared to 59% at night), and less on policy issues (11% vs. 15% in the evening).

■ When it came to the election, both Hispanic and African American media acted as advocates, teachers and even watchdogs more than the mainstream press did. Indeed, Spanish-language and African American newspapers devoted more than twice the space of English-language ones to explaining specifics on voting—such as necessary documents and when polls close.

■ The online sector distinguished itself by its commitment to foreign news, even in a year in which such coverage dropped across the board. The news sites studied devoted more than a quarter of their newshole (27%) to global events and foreign affairs, more than any other media sector and much more than in the press over all (17%).

■ The radio headlines (from CBS and ABC)—which deliver a quick but broad digest of daily events—diverged dramatically from the media over all in two major areas. These headline services devoted only 16% of the time studied to elections and politics, less than half that of the media overall (34%). And they offered substantially more coverage of economics and business (25% versus 15% over all.)

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### Top Stories: Cable vs. Other Media Sectors 2008

<table>
<thead>
<tr>
<th>Media Outlet</th>
<th>Election</th>
<th>U.S. Economy</th>
<th>Iraq War</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td>70%</td>
<td>60%</td>
<td>50%</td>
</tr>
<tr>
<td>Radio</td>
<td>60%</td>
<td>50%</td>
<td>40%</td>
</tr>
<tr>
<td>Network TV (w/o PBS)</td>
<td>50%</td>
<td>40%</td>
<td>30%</td>
</tr>
<tr>
<td>Online</td>
<td>20%</td>
<td>10%</td>
<td>0%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: PEJ, A Year in the News, 2008

Note: Election includes stories about the campaign, results, and the transition. U.S. Economy includes stories about the financial crisis, economic numbers, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae. Iraq War includes stories about Iraq policy debate, events in Iraq, and Iraq homefront.
RESUMEN EJECUTIVO
PARA EL INFORME COMPLETO, ACCEDA A WWW.JOURNALISM.ORG

El informe completo, El Estado de los medios de comunicación de noticias 2009, está disponible en www.journalism.org. Además de encontrar un repaso más detallado de los ocho sectores mediáticos, el informe completo en línea ofrece una encuesta de periodistas en línea que revela lo que ellos sienten sobre el futuro de su profesión, un análisis de contenido de más de 70,000 historias de noticias en el 2008, un estudio de los medios de comunicación ciudadanos en 46 comunidades, un informe especial de lecciones aprendidas sobre las elecciones y mucho más.
CONTENIDO

EL ESTADO DE LOS MEDIOS DE COMUNICACIÓN DE NOTICIAS 2009

3 PERSPECTIVA GENERAL
6 A QUIÉN LE FUE MEJOR
7 PERIÓDICOS
10 EN LÍNEA
13 CADENAS TELEVISIVAS
15 TELEVISIÓN POR CABLE
18 TELEVISIÓN LOCAL
21 REVISTAS
24 AUDIO
27 ÉTNICO
30 UN AÑO EN LAS NOTICIAS
El Estado de los medios de comunicación de noticias 2009 es la sexta edición de nuestro informe anual sobre la condición y estatus del periodismo de los Estados Unidos de Norte América.

Nuestros objetivos son hacer balance de la revolución ocurriendo en la forma en que los estadounidenses obtienen información y proporcionar un recurso para que los ciudadanos, periodistas e investigadores puedan hacer sus propias valoraciones. Con este propósito, recogemos en un sólo lugar la mayor cantidad de datos posible sobre los principales sectores del periodismo, identificamos tendencias, señalamos indicadores clave y hacemos nota de áreas que requieren investigación adicional.

Para cada sector del periodismo hemos producido investigaciones originales y sumado los datos existentes a una narrativa sobre el estado del periodismo que esperamos sea la más detallada en su género. El informe también incluye Un Año en las noticias, un completo análisis de contenido sobre el desempeño de los medios de comunicación basado en más de 70,000 historias provenientes de 48 canales de difusión a través de cinco sectores mediáticos.

Nuestro objetivo es un informe investigativo, no un argumento. En los temas y áreas en los que contamos con hechos claros, esperamos no haber esquivado la ocasión de proporcionar una explicación de lo que estos hechos revelan, dejando por sentada la diferencia entre lo que está demostrado y lo que únicamente es una sugerencia. En las instancias en las que hemos sacado conclusiones, esperamos haberlo hecho únicamente teniendo datos concluyentes y de forma que las conclusiones quedaran enteramente documentadas. Esperamos no se nos considere partidarios. Nuestra intención es informar no persuadir. Hemos intentado, con nuestro mejor esfuerzo y dentro de los límites del tiempo, buscar múltiples fuentes de información para comparar y ser lo más transparente posible en el proceso.

El informe completo es detallado, con más de 180,000 palabras. Lo que usted está leyendo es el resumen ejecutivo, con las conclusiones clave en forma de viñetas para ofrecerle un rápido esbozo de cada sector mediático. El informe completo, disponible en www.journalism.org, ofrece una perspectiva general del estado del periodismo así como análisis detallados de ocho sectores por separado (los periódicos, en línea, las cadenas televisivas, la televisión por cable, la televisión local, el audio, las revistas y los medios étnicos). También incluye datos estadísticos en un formato interactivo que permite a los usuarios crear sus propios gráficos. Además contiene un Topline interactivo para nuestro estudio de Un Año en las noticias que permite a los usuarios explorar los datos clave por sí mismos.

Este informe es obra del Proyecto para la Excelencia en el Periodismo (PEJ) del Pew Research Center, un instituto de investigación apolítico y no partidario. El estudio es financiado por los Pew Charitable Trusts y producido con la ayuda de varios autores y colaboradores, incluyendo a Rick Edmonds del Institute Poynter y una multitud de asesores de la industria.

Finalmente, el proyecto no pudo haberse completado sin el extraordinario apoyo, tanto financiero como personal, de los Pew Charitable Trusts, particularmente de Don Kimelman, un editor de confianza, y Rebecca Rimel, quien ideó este informe en el primer lugar.

Tom Rosenstiel
Algunas de las cifras son espeluznantes.

Los ingresos por publicidad en periódicos cayeron un 23% en los últimos dos años. Algunos periódicos están en la bancarrota y otros han perdido un 75% de su valor. Según nuestros cálculos, cerca de uno de cada cinco periodistas trabajando en periódicos en el 2001 ya no estaban a final del 2008, y el 2009 podría ser peor aún.

En la televisión local, el personal de noticias, que de por sí ya era demasiado pequeño para dar cobertura adecuada a sus comunidades, está siendo reducido a ritmos sin precedentes; los ingresos cayeron un 7% en un año de elecciones—algo nunca antes visto—y los ratings actualmente están cayendo o no muestran cambios a través de toda la programación. En las noticias de las cadenas televisivas, inclusive los escasos programas cuyos ratings han subido están experimentando una caída en sus ingresos.

Ahora la prensa ética también está consternada y en muchos aspectos es la más vulnerable por la pequeñez de muchas de las operaciones.

Únicamente las noticias por cable florecieron realmente en el 2008, gracias a un enfoque obsesivo en las elecciones, aunque algunos de los aumentos en los ratings desaparecieron después de las elecciones.

Quizá a lo que menos se prestó atención pero que es de la mayor importancia, fue la migración acelerada de la audiencia hacia el Internet. El número de estadounidenses que regularmente visitan el Internet para las noticias, según una encuesta, incrementó en un 19% en los últimos dos años: en sólo el 2008 el tráfico hacia los 50 sitios de noticias más importantes aumentó en un 27%. Sin embargo, está prácticamente establecido que los ingresos por publicidad—el modelo que financió al periodismo durante el siglo pasado—serán inadecuados para hacerlo en este siglo. Con un tercio de crecimiento hace apenas dos años, los ingresos por publicidad en línea para sitios web de noticias actualmente parecen estar llegando a un cero crecimiento; para los periódicos, los ingresos están disminuyendo.

¿Qué significado tiene todo esto?

Aun antes de la recesión, el asunto fundamental al que se enfrentaba el periodismo era si la industria de las noticias podría ganar la carrera contra reloj para sobrevivir: ¿podría encontrar nuevas formas para asegurar la recopilación de las noticias en línea, mientras utilizaba los decrecientes ingresos de las antigua plataformas para financiar la transición?

En el último año ocurrieron dos cosas importantes que han efectivamente acortado el tiempo que queda en el reloj.

En primer lugar, la acelerada migración de la audiencia hacia la Web significa que la industria de las noticias debe reinventarse a sí misma más pronto de lo pensado—aun cuando la mayoría de esa gente está visitando los destinos tradicionales de noticias en la Web. Por lo menos en el corto plazo, el crecimiento de la audiencia en línea ha empeorado y no ayudado la situación de los sitios tradicionales de noticias.

Luego vino el desplomo de la economía. Los números son únicamente suposiciones, pero los ejecutivos estiman que la recesión por lo menos duplicó las pérdidas de ingresos en la industria de las noticias en el 2008, y quizá aún más en las cadenas televisivas. Todavía más trascendente es el hecho de que la recesión echó por tierra los esfuerzos por encontrar nuevas fuentes de ingresos. En el intento por reinventar el negocio, el 2008 parece haber sido un año perdido y el 2009 amenaza con ser igual.

Imagina a una persona a punto de iniciar la terapia física después de sufrir un derrame, que de pronto contrae una enfermedad secundaria debilitante.

El periodismo, distraído por su rentabilidad y temeroso de la tecnología, permitió que otros actores fuera de la industria le robaran oportunidad tras oportunidad en el Internet. Para el 2008, la industria finalmente comenzó a tomar la situación en serio. Pero entonces la recesión hizo las cosas más difíciles.

Esta es la sexta edición de nuestro informe anual sobre el Estado de los medios noticiosos en los Estados Unidos.

También es la más desoladora.

MUCHO de lo que hemos subrayado anteriormente se mantiene. Los medios de comunicación tradicionales han mantenido su audiencia aun con la migración de la audiencia al Internet. En el 2008, las alzas en audiencias de los sitios ofreciendo noticias tradicionales fueron mucho mayores que las alzas de los sitios de los medios de comunicación del Internet. Las viejas normas del periodismo tradicional siguen teniendo valor. Y al revisar detenidamente las cifras, notamos que los consumidores no están simplemente confinándose a obtener las noticias de los sitios ideológicamente diferenciados. El problema del periodismo estadounidense no es fundamentalmente un problema de audiencia o de credibilidad. Es un problema de ingresos—la separación de la publicidad y las noticias.
ESTO HACE QUE LA SITUACIÓN SEA MEJOR DE LO QUE PARECÍA SER. PERO AHORA LAS AUDIENCIAS CONSUMEN LAS NOTICIAS DE NUEVAS MANERAS. ELLOS CAZAN Y COLECTAN LO QUE QUIEREN Y CUANDO LO QUIEREN, UTILIZAN LAS BÚSQUEDAS PARA ESCARMENAR ENTRE DESTINOS Y COMPARTEN SUS HALLAZGOS A TRAVÉS DE UNA CRECIENTE RED DE MEDIOS SOCIALES. LA INDUSTRIA DE LAS NOTICIAS NO SABE—Y HA HECHO EL MENOR ESFUERZO POR APRENDER—COMO TRANSFORMAR EN INGRESOS ESTA AUDIENCIA EN LÍNEA CADA Vez MÁS ACTIVA. ADÉMÁS EXISTEN EN EL NEGOCIO CADA VEZ MÁS DUDAS SOBRE SI LA GENERACIÓN A CARGO TIENE LA VISIÓN Y AUDAICIA NECESARIA PARA REINVENTAR LA INDUSTRIA. NO ESTÁ CLARO, DICEN ALGUNOS, QUIÉNES SON LOS LÍDERES INNOVADORES, Y MUCHAS FIGURAS RECONOCIDAS HAN DEJADO LA INDUSTRIA. LA REINVENCIÓN POR LO GENERAL NO VIENE A TRAVÉS DE GERENTES QUE PRUDENTEMENTE TRAZAN SU CURSO DE NAVEGACIÓN. POR EL CONTRARIO, LA REINVENCIÓN PROVIENE DE LOS EMPRENDEDORES QUE TOMAN RIESGOS Y VEN LO QUE OTROS NO VEN. ESTE TIPO DE LIDERAZGO NO ESTUVO MUY EN EVIDENCIA CUANDO LA ECONOMÍA ERA MEJOR. Y LOS TIEMPOS SON MÁS DÍFICILES AHORA.

LAS PRINCIPALES TENDENCIAS

MÁS ALLÁ DE NUEstras CONCLUSIONES MÁS AMPLIAS, IDENTIFICAMOS SEIS NUEVAS TENDENCIAS EMERGENTES EN EL 2009, LAS CUales SE ERIGEN SOBRE AQUELLAS QUE YA HEMOS IDENTIFICADO EN AÑOS PASADOS.

- **El creciente debate público sobre cómo financiar la industria de las noticias puede que se esté enfocando en los remedios equivocados mientras que otras ideas permanecen sin ser adecuadamente exploradas.** Gran parte de la discusión se ha centrado en indagar si los consumidores harían micro pagos por contenidos en línea y en la posibilidad de que empresas sin fines de lucro adquieran posesión de la prensa. Sin embargo, la idea de los micro pagos ya fue probado y rechazada por los usuarios hace tiempo y se ha enfrentado a resistencia por parte de los defensores de la industria de las noticias aseguraría la producción de escritores y voces individuales, y se alejan un tanto de las marcas institucionales. Los periodistas que han abandonado las organizaciones tradicionales de noticias están atrayendo financiamiento para crear sus propios sitios Web. Experimentos como el Global-Post están examinando si los periodistas individuales pueden convertirse en contratistas independientes ofreciendo reportajes a varios sitios, parecido a la forma en que los fotógrafos han operado por años en las revistas. Sería un error exagerar el movimiento en este momento. Pero al menos para algunos periodistas, existen señales de una nueva posibilidad: es decir periodistas individuales, financiados por una variedad de fuentes, ofreciendo cobertura especializada a muchos lugares. El movimiento ofrece la posibilidad de un periodismo más calificado desde el campo. Sin embargo, también habría necesidad de que los consumidores fueran exigentes e hicieran preguntas sobre la forma en que las organizaciones de noticias aseguraran la calidad y la fiabilidad.

- **El poder está trasladándose al periodista individual y se está alejando, paulatinamente, de las instituciones periodísticas. La tendencia aún está en formación y su potencial es incierto, pero las señales son claras.** A través de la búsqueda, el correo electrónico, los blogs, los medios sociales y más, los consumidores están gravitando hacia la producción de escritores y voces individuales, y se alejan un tanto de las marcas institucionales. Los periodistas que han abandonado las organizaciones tradicionales de noticias están atrayendo financiamiento para crear sus propios sitios Web. Experimentos como el Global-Post están examinando si los periodistas individuales pueden convertirse en contratistas independientes ofreciendo reportajes a varios sitios, parecido a la forma en que los fotógrafos han operado por años en las revistas. Sería un error exagerar el movimiento en este momento. Pero al menos para algunos periodistas, existen señales de una nueva posibilidad: es decir periodistas individuales, financiados por una variedad de fuentes, ofreciendo cobertura especializada a muchos lugares. El movimiento ofrece la posibilidad de un periodismo más calificado desde el campo. Sin embargo, también habría necesidad de que los consumidores fueran exigentes e hicieran preguntas sobre la forma en que las organizaciones de noticias aseguraran la calidad y la fiabilidad.

- **En la Web, las organizaciones de noticias están enfocándose un tanto menos en atraer a las audiencias que en generar contenido.** El cambio es reflejo de un mayor reconocimiento por parte de las
industria de las noticias de la naturaleza viral de la Web y del surgimiento de los medios sociales. Lo que comenzó como unos cuantos podcasts, fuentes web en formato RSS y alertas de correo electrónico hace un año o dos se ha multiplicado explosivamente para concentrarse más seriamente en el desarrollo de múltiples formas de distribución. Una forma supone ayudar a la ciudadanía a apropiarse de información y compartirla con otros. Otra forma supone colocar contenido en tantas plataformas como sea posible. La mayoría de los sitios Web de noticias ahora ofrecen vínculos dentro de las historias que permiten a los lectores compartir el contenido de manera más fácil, y algunos han ido hasta el punto de crear sus propias cuentas de Twitter o Facebook para poner más contenido a disposición de los consumidores y permitirles compartirla. News Corp. y NBC Universal adquirieron en conjunto a Hulu.com—un sitio en el cual los usuarios pueden ver videos transmitidos en tiempo real libre de costo—lo que dio a ambas compañías otro canal más para sus productos. El aspecto económico de todo esto aún no está resuelto y los sitios Web caseros todavía tienen cabida. La industria también ha sido lenta en llegar. Pero el movimiento representa una creciente comprensión de que la naturaleza de la Web es algo que la industria de las noticias no puede evitar y más bien podría comenzar a emplear a su favor.

- El concepto de las sociedades o alianzas, motivado en parte por la desesperación, está convirtiéndose en un enfoque prioritario de la inversión en noticias y podría ofrecer prospectos para el futuro financiero de las noticias. En parte para reducir los costos, en parte para compensar por el contenido perdido o de enfoque más limitado y en parte en un esfuerzo por permanecer relevantes, las organizaciones de noticias están comenzando a aunar fuerzas con instituciones que en el pasado fueron rivales. Periódicos en el sur de la Florida y Texas ahora comparten material escrito en lugar de simplemente competir. Las filiales de televisión local de la NBC y Fox están compartiendo video de las noticias de último minuto. En línea, la CBS Radio inició una alianza con AOL y Yahoo, uniendo estaciones sobre una misma plataforma. Los esfuerzos apenas comienzan a arraigarse y, al igual que con otros experimentos, existen por el momento pocas luces del nivel de éxito que podrán tener para atraer a las audiencias y generar nuevos ingresos. Pero las sociedades representan un pequeño paso por medio del cual cada compañía que está atravesando problemas puede comenzar a unir ideas y recursos con otras compañías en una forma a la que tradicionalmente se han resistido. El movimiento hacia las sociedades y alianzas también refleja otro tipo de cambio. El interés por una organización de noticias en el futuro cada vez dependerá menos del contenido que produzca y más del paquete completo de información que logre reunir de distintas fuentes.

- Aun si las noticias por cable no logran mantener el nivel de audiencia del 2008, su surgimiento está acelerando otro cambio—la elevación de la opinión minuto a minuto en el periodismo político.

- En el 2008 las noticias por cable estuvieron próximas a convertirse en la principal plataforma televisiva del discurso político estadounidense. Fue el único claro ganador entre los medios de comunicación en el 2008, con ganancias aumentando en un tercio y las audiencias creciendo en un 38%. Pero con la fascinación singular de la televisión por cable en los temas políticos, el impacto más grande podría ser cierto sentido de aceleración de la opinión periodística. Las valoraciones minuto a minuto de las maniobras diarias de la campaña electoral, en su mayor parte ofrecidas por asesores políticos partidarios con lenguaje deliberadamente ordinario y provocativo, se han convertido ahora en juicios instantáneos sobre el gobierno. La noción de una luna de miel de los medios de comunicación ha pasado de moda. El periodista que quizá obtuvo la mayor atención durante el primer mes de Obama fue un “editor” financiero de las noticias por cable que describió en el recinto de operaciones de una bolsa de valores de Chicago, se convirtió en estrella de YouTube y acusó a la Casa Blanca de “amenazarlo” cuando el secretario de prensa de Obama lo reprendió por nombre y apellido. Además está el emergente rol de los blogs, y las figuras políticas que ahora están “tweeting” sus reacciones personales inmediatas desde el Senado y la Cámara de Representantes. Inclusive el Presidente Barack Obama ha advertido a la prensa y público sobre andar escuchando el “colorreo de cable” y aconsejó a los republicanos a no recibir sus órdenes de Rush Limbaugh, cuyo rol como líder político es ahora tema de noticias. Al parecer, la línea entre las impresiones personales no censuradas y el discurso público está evaporándose cada vez un poco más.

- En su cobertura de la campaña electoral, la prensa fue más reactiva y pasiva y menos una investigadora emprendedora de los candidatos en comparación con el pasado. En 1992, el Washington Post produjo 13 perfiles sustanciales examinando el record pasado y la biografía del eventual ganador de la campaña. En el 2008, el defensor del lector de ese mismo periódico encontró que solo se produjeron tres perfiles similares. En el Los Angeles Times, el número de este tipo de historias emprendedoras sobre el candidato ganador se redujeron por dos tercios. Muchos factores han contribuido al desempeño menos proactivo de la actual prensa. Las salas de redacción más reducidas dejan a las personas menos tiempo para las iniciativas. Los blogs y los sitios Web son fuentes profundas de información, pero consumen mucho tiempo y atención. Las campañas electorales se han vuelto más disciplinadas en el control de su discurso, manteniendo la distancia y publicando su propia información directamente al público. Similar a lo acontecido en el 2000, mucho de lo que sabemos sobre el nuevo presidente provino de su propia campaña y no de las iniciativas y empresa de los medios de comunicación. Y muy rápidamente su agenda política, ya sea que sufriera cambios en respuesta a los eventos o que hubiera existido pero no de forma siempre clara, ha probado ser más extensa y completa de lo que fue promocionado.
¿A QUIÉN LE FUE MEJOR (Y PEOR) EN EL 2008?

Examinando los distintos sectores mediáticos para ver los cambios en la audiencia y en los aspectos económicos, se hace claro que en el 2008 las noticias por cable fueron las grandes ganadoras. Con alzas en los ingresos por publicidad y en las audiencias de más del 25%, los tres canales de noticias por cable estuvieron muy por encima de todos los demás medios de noticias. Las noticias en línea también mostraron crecimiento en ambas áreas, pero los anuncios, de los que dependen en gran medida las noticias, crecieron en apenas un 4% en los primeros tres trimestres del 2008 y se esperaba que sufrieran descensos una vez se reportaran las cifras de fin de año. Y, a excepción de un ligero crecimiento en la audiencia para el audio, todos los demás sectores sufrieron disminuciones tanto en los gastos en publicidad como en las audiencias, con los periódicos y las revistas impresas siendo los mayores perdedores.

Las audiencias recurren al cable y a la Web

Porcentaje de cambio en la audiencia del 2007 al 2008, a través de los sectores mediáticos

Nota: Los distintos sectores mediáticos utilizan medidas un tanto diferentes para medir el crecimiento económico y de las audiencias. A fin de crear la comparación más precisa posible, hemos utilizado el cambio porcentual para cada industria en lugar de las cifras totales. Además, cada vez que fue posible hemos utilizado medidas similares, por ejemplo el promedio de las cifras de audiencia de Nielsen Media Research para las noticias por cable y para las noticias de las cadenas televisivas. Para obtener notas al pie de página detalladas sobre las fuentes de los datos, por favor visite la sección de Hallazgos Clave del informe en línea: http://www.stateofthenewsmedia.com/2009/narrative_overview_keyindicators.php?cat=2&media=1#.

Cambio en los gastos en publicidad por medio

Cambio porcentual en ingresos por publicidad, 2007 al 2008, a través de los sectores mediáticos
PERIÓDICOS

La industria del periódico finalizó un 2008 de angustia e inició el 2009 muy cerca del borde del precipicio. Casi todos los periódicos están ahora llevando a cabo recortes tan profundos y rápidos que el simple esfuerzo para lidiar con el bajón en la economía sirve de distracción a los esfuerzos por reinventar la economía del negocio. La industria en general se mantuvo rentable en el 2008. La pregunta es: ¿podrán los periódicos vencer al reloj? ¿Podrán encontrar la manera de convertir su creciente audiencia en línea en suficientes ingresos para mantener a flote a la industria antes de que los ingresos cada vez más reducidos de sus ediciones impresas disminuyan demasiado?

AUDIENCIA

- La circulación cayó en un 4.6% por día y 4.8% en domingo durante el último periodo comparado con el año anterior, a aproximadamente 48 millones de copias vendidas.
- El tráfico hacia los sitios web de los periódicos está en aumento. Se estima que las nuevas audiencias en la Web agregan un 8.4% a la audiencia promedio de los periódicos, supliendo casi toda la baja en audiencia de las ediciones impresas.
- El número de personas distintas que visitó los sitios Web de periódicos cada mes—es decir, las visitas únicas—aumentó en un 15.8% a 65 millones en el tercer trimestre del 2008 sobre el mismo periodo en el 2007, según Nielsen Online. Las páginas bajadas aumentaron en un 25.2%.

ECONOMÍA

- El total de ingresos por publicidad cayó en un 16% a $38 mil millones en el 2008. Esto representa una baja de un 23% en dos años. Incluso los anuncios en línea—la otrora gran esperanza—cayeron en un 0.4% en el 2008 y ascendieron a menos del 10% de los ingresos por anuncios.
- Varios periódicos recortaron sus entregas a domicilio en ciertos días de la semana para ahorrar en costos de producción y entrega. Algunos suspendieron la impresión del todo, convirtiéndose en periódicos solamente en línea.
- Pero, convertirse en periódico únicamente digital no es una opción que vaya a generalizarse a través de la industria en el corto plazo. Los periódicos aún generan aproximadamente un 90% de sus ingresos por publicidad de las ediciones impresas, aunque las cifras varían por periódico, el costo de impresión y entrega de una edición impresa es en promedio solo el 40% de los costos.
INVERSIÓN EN NOTICIAS

- Estimamos que aproximadamente 5,000 puestos de trabajo de tiempo completo en salas de redacción se perdieron en el 2008, más o menos el 10%. A finales del 2009, es posible que las salas de redacción de los diarios estadounidenses empleen entre un 20% y un 25% menos personal que en el 2001—con pérdidas aun mayores en los periódicos de las grandes ciudades metropolitanas.

- El impacto fue especialmente severo en los burós extranjeros, en las capitales estatales y en Washington. Alrededor de la mitad de los estados ya no tienen personal de prensa basado en Washington, D.C.

Descenso en la circulación diaria y dominical

*Porcentaje de descenso en la circulación por periodo de seis meses 2003-2008*

Source: Deutsche Bank Securities

PROPIEDAD

- El valor de las acciones de las compañías de periódicos tranzadas públicamente cayó en un 83% en el 2008.
- El Rocky Mountain News cerró en febrero del 2009, y el Seattle Post-Intelligencer pareció seguir sus pasos en marzo. Aun no hay una ciudad principal que no tenga periódico, pero eso también podría estar en camino.
- Gatehouse Media efectivamente se fue a la quiebra para mediados del 2008, The Tribune Company presentó solicitud para su reorganización de bancarrota en diciembre y Journal Register, Philadelphia Newspapers y el Minneapolis Star-Tribune se fueron a la bancarrota a principios del 2009.

SEMANARIOS ALTERNATIVOS

- Los 130 periódicos miembros de la Asociación de Semanarios Noticiosos Alternativos (Association of Alternative Newsweeklies) reportaron una circulación semanal combinada de 7.1 millones a junio del 2008, 400,000 copias menos, o un baja de un poco más del 5%, desde el 2007.
- Una de las cadenas de semanarios alternativos más grandes, Creative Loafing, intentó reestructurar su deuda bajo la figura de bancarrota según lo que establece el Cápítulo 11.
Ediciones impresas vs. ingresos por publicidad en línea de los periódicos

2003-2007

Source: Business Analysis and Research, Newspaper Association of America
Bien podríamos valorar el 2008 como un hito en la Web como destino de noticias. Como fuente de noticias nacionales e internacionales, los datos de encuestas indican que la Web sobrepasó a todos los otros medios a excepción de la televisión. Pero también se volvió evidente que el modelo económico principal que financió al periodismo en los medios tradicionales, la publicidad, no lo hará en los nuevos medios. La publicidad en línea comenzó lenta, tanto en general como en lo particular para los anuncios, que constituieron la principal fuente de ingresos por publicidad para las noticias.

**AUDIENCIA**
- Los 50 sitios Web de noticias más importantes experimentaron un crecimiento en su tráfico por el orden del 27% en el año, según análisis del PEJ en base a datos de comScore, mientras que todos los 700 sitios de noticias e información monitoreados aumentaron su tráfico en un 7%. Los top cuatro sitios de noticias—Yahoo, MSNBC.com, CNN.com y AOL—tuvieron un crecimiento promedio mensual del 22% equivalente a 132 millones de visitas únicas. Esto representa el doble del ritmo de crecimiento en el 2007.
- El número de estadounidenses que dicen haber obtenido “la mayor parte de sus noticias nacionales e internacionales” en línea aumentó en un 67% en los últimos cuatro años, según una encuesta del Pew Research Center.

**ECONOMÍA**
- Los gastos por publicidad en línea crecieron a 10.6% en el 2008, o $23.4 mil millones, pero la mayor parte de esto benefició a Google y a otros proveedores de publicidad por búsqueda. Las ventas de pancartas y otros anuncios de los que dependen los sitios Web de noticias aumentaron únicamente en un 4%.
- Las tarifas por anuncios están cayendo a medida que el número de sitios Web va en aumento. El costo por alcance a 1,000 espectadores cayó en un 48% solo en el 2008, a un costo promedio estimado de 26 centavos.
- En los últimos diez años, la porción de publicidad por Internet derivada de los negocios locales se ha duplicado, pero la mayoría de estos anuncios (el 57% en el 2007) ahora van a los sitios nacionales exclusivos de Internet como Google y Yahoo, y no a las organizaciones de noticias locales.
- Con la mirada hacia futuro, se espera que el 2009 sea el primer año desde que comenzó la década en el que algunos componentes de la publicidad interactiva muestren poco o ningún crecimiento, según Borrell Associates, una empresa de investigación de los medios de comunicación.
La Web aún está dominada por los grandes medios de comunicación. De los 25 sitios Web de noticias más visitados, 22 eran propiedad de las 100 compañías de medios más ricas en el 2008, según un análisis de datos proporcionados por Advertising Age y Nielsen Online.

Mas allá de las tres grandes compañías—Google, AOL y Yahoo—las fusiones y adquisiciones en el sector de los medios de comunicación y tecnología en línea cayeron en un 6% en cantidad y en un 7% en valor durante los tres primeros trimestres del año, aunque aun así siguió siendo el sector mediático más activo en cuanto a negociaciones de este tipo.

**Los top sitios de noticias**
Promedio mensual de visitas únicas, 2007 vs. 2008

Source: comScore, Inc

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**NUEVAS INICIATIVAS**

Los sitios de noticias dirigidos por ciudadanos que no son profesionales del medio pero hacen periodismo original obtuvieron algo de tracción en el 2008, especialmente en áreas en donde la cobertura de los medios tradicionales ha desaparecido. Pero aun así están lejos de ser un substituto para los medios de comunicación tradicionales. Un estudio comparando a los sitios de noticias dirigidos por ciudadanos con los sitios Web tradicionales de noticias y los blogs demostró que su gama de temas es más estrecha, las fuentes son más débiles y el contenido no es siempre actualizado, ni siquiera una vez al día. Y en general estos sitios produjeron menos noticias.

El estudio demostró que el contenido en los tres tipos de sitios varió marcadamente. Los sitios tradicionales proporcionaron el más alto porcentaje de noticias (89%), casi el doble que los sitios de noticias dirigidos por ciudadanos (56%) y tres veces más que el contenido de los blogs (27%).
Proyecciones de gastos por publicidad en línea
Anuncios de búsqueda crecerán más rápido que los anuncios utilizados por los sitios Web de noticias

Source: eMarketer, November 2008
Tras dos años del cambio a una nueva generación de presentadores, es ahora claro que cambiar el elenco y hasta cambiar el contenido de los programas no cambiará la dinámica fundamental de las noticias en las cadenas televisivas. En un año importante para las noticias como lo fue el 2008, los números de las audiencias siguieron cayendo, tanto para las noticias de la mañana como para las de la noche, aunque la caída fue un poco más lenta que en el pasado. Únicamente una de las divisiones de noticias de las tres cadenas, la NBC, pareció recaudar una ganancia significativa en el 2008. Ahora, está en tela de duda el modelo mediante el cual las cadenas televisivas proporcionan la programación a las estaciones locales.

**AUDIENCIA**

- La disminución de las audiencias de los tres telediarios comerciales vespertinos fue a un ritmo más lento en el 2008, apenas por el orden del uno por ciento—o igual a 273,000 telespectadores (comparado con la pérdida de un millón de telespectadores por año durante las últimas dos décadas).

- El programa NBC Nightly News con Brian Williams se convirtió en el claro líder en los ratings, con un promedio de 8.6 millones de telespectadores, 3% por encima del año anterior. El programa World News Tonight con Charles Gibson de la ABC perdió un 3% de audiencia y tuvo en promedio 8.1 millones de telespectadores, mientras que el programa de la CBS, Evening News con Katie Couric, sufrió la mayor perdida de audiencia, un 5%, obteniendo un promedio de 6.1 millones de telespectadores por noche.

- La audiencia combinada para los programas matutinos de noticias cayó por el cuarto año consecutivo hasta un promedio de 13.1 millones de telespectadores por día.

- El programa Today Show de la NBC, el líder por mucho tiempo, ganó audiencia mientras que los otros programas la perdieron.

**ECONOMÍA**

- Las divisiones de noticias de las cadenas televisivas, que ya habían estado por mucho tiempo bajo presión, fueron golpeadas aún más fuerte en el 2008. La debilidad macroeconómica las envió corriendo a reducir sus proyecciones de ganancias y a recortar costos.

- Es muy posible que la NBC News fuera la única división de noticias que tuvo ganancias significativas en el 2008. Según unas cuentas, la NBC, la MSNBC y MSNBC.com pudieron haber presentado ganancias antes de impuestos de $400 millones. En la ABC y la CBS, los ingresos...
probablemente fueron mayores que los gastos, pero solo por poco.

INVERSION EN NOTICIAS
- Para finales del 2008, las tres cadenas televisivas habían eliminado a sus periodistas de tiempo completo en Irak. Al aproximarse al 2009, se llevaron a cabo más recortes en las salas de redacción, tanto en las nacionales como en las internacionales.

PROGRAMAS NOTICIOSOS
- Los cinco programas noticiosos de las cadenas televisivas experimentaron una reducción promedio en sus audiencias del 7%, a 27 millones, así como una reducción en su porción de la programación en los horarios de mayor audiencia.
- Únicamente el programa 60 Minutos prosperó en el 2008. Su audiencia semanal de telespectadores por poco duplica la de su rival más cercano.

El cambio en los ratings por hogar para las noticias vespertinas
1980-2008, noviembre a noviembre

Source: Nielsen Media Research, used under license
TELEVISIÓN POR CABLE

Mientras que muchos sectores mediáticos se esforzaron por avanzar, la televisión por cable brilló. La CNN, Fox News y MSNBC todas ganaron telespectadores y proyectaban ganancias record. Y cada una anticipaba aumentar sus gastos para recopilación de noticias y para los burós alrededor del mundo. Gran parte de la ganancia en audiencia se atribuyó a las elecciones presidenciales, y a los esfuerzos concertados de cada uno de los canales por designarse a sí mismos el sitio esencial para dar seguimiento a la campaña, pero algunas de las ganancias continuaron en el 2009.

AUDIENCIA

El promedio de la audiencia mensual de los tres principales canales de noticias durante el día y la noche creció en un 38%, hasta un record de 2.2 millones de telespectadores. (La audiencia mediana, nuestra medida preferida, creció en un 26%). Después de las elecciones, la audiencia comenzó a disminuir. Pero una pequeña alza a inicios del 2009 incrementó un tanto el promedio.

En el horario principal de programación, la audiencia mediana en los tres canales creció en un 35% a 3.6 millones—su punto más alto en la historia. Fox News, el líder en los ratings, tuvo el menor crecimiento como porcentaje (28%), pero el crecimiento más alto en cuanto a ganancias netas de telespectadores. La CNN, con un aumento del 43%, disminuyó la brecha con Fox News y expandió su ventaja en audiencia cumulativa—es decir, el número de telespectadores distintos cada mes.

MSNBC permaneció en el último lugar pero tuvo el mayor nivel de crecimiento (57%) y para final del año le pasó a Fox en audiencia cumulativa.

ECONOMÍA

Se esperaba que las ganancias antes de impuestos en el 2008 para los tres principales canales de noticias por cable crecerían un tercio sobre el año anterior, a $1.1 mil millones. Una gran porción del aumento en los ingresos en el 2008 se debió a los anuncios de campaña, lo que terminó al finalizar las elecciones.

Se proyectaba que la CNN, incluyendo su canal afiliado HLN, obtendría ganancias de $470 millones en el 2008, un alza del 35% en comparación con el 2007, según SNL Kagan. Fox News la siguió de cerca con $447 millones en ganancias (un aumento del 30%). El tercer lugar fue para MSNBC que se
anticipaba presentara ganancias por el orden de los $135.4 millones (un aumento del 23%).

- La mitad de los ingresos de la televisión por cable proviene de los cargos por suscripción incluidos en los cobros mensuales del cable, lo que protege a los canales de los cambios a la baja en tarifas y gastos por publicidad. La CNN aun exigía la tarifa más alta, equivalente a 47 centavos por suscriptor por mes. La Fox se acercaba con 42 centavos. MSNBC cobraba 15 centavos.

La audiencia de las noticias por cable en el 2008 durante el horario principal de programación
Canal por canal, audiencia mediana

INVERSIÓN EN NOTICIAS
- Los tres principales canales de cable estaban camino a incrementar su inversión en las operaciones de recopilación de las noticias en un promedio del 7%, según proyecciones de SNL Kagan.
- La CNN estableció burós de una sola persona en 10 ciudades de los Estados Unidos y anunció la creación de un servicio de noticias.

OTROS CANALES POR CABLE
- Tanto la CNBC y la Fox Business Network (FBN) tuvieron fuertes crecimientos de ratings y expandieron su programación. Cuando la crisis financiera pegó de lleno en septiembre, los ratings de la CNBC eran 10 veces mayores que los de la FBN.
- La BBC América agregó nuevos sistemas de cable en el 2008, expandiendo su cobertura a todos los 212 mercados de cable y 62 millones de hogares en los Estados Unidos. Pero su telediario, el BBC World News, tuvo un promedio de apenas 151,000 telespectadores.
- El tercer participante principal de las noticias financieras por cable fue Bloomberg TV. Pero en febrero del 2009, la compañía anunció que estaría llevando a cabo sus primeros despidos de personal desde que la Bloomberg LP fue fundada en 1981. Los despidos—alrededor de 100—provendrían primordialmente de su personal de televisión y radio en Estados Unidos.

TENDENCIAS DIGITALES
- Al igual que sus programas de televisión, los sitios Web de los principales canales de noticias por cable atrajeron una audiencia record en el 2008, impulsada en gran parte por los eventos de noticias políticas y económicas en el año.
- MSNBC.com siguió siendo el sitio más popular asociado a una cadena por cable y fue segundo solo a Yahoo News entre los sitios de noticias más visitados. MSNBC.com registró un aumento del 34% en su audiencia llevándolo a un promedio de 39 millones de visitas únicas por mes, según Nielsen Online.
- CNN.com permaneció detrás de MSNBC.com en tamaño de audiencia, pero presentó un aumento en su audiencia del 18%, llegando a los 36.3 millones de visitas únicas mensuales.
La rentabilidad de las noticias por cable
1997-2008, por canal

Source: SNL Kagan, a division of SNL Financial LLC
CNN figures include CNN Headline News; all figures are estimates
TELEVISIÓN LOCAL

Normalmente las estaciones de televisión local pueden anticipar ganancias extraordinarias en los años electorales provenientes de la publicidad política—y a veces inclusive un alza en los ratings. Pero no fue el caso en el 2008. El número de telespectadores disminuyó o permaneció igual para la mayoría de los telediarios, y las proyecciones indicaban una caída en los ingresos en comparación con el 2007, el cual fue un año no electoral. Algunos cálculos estiman que los márgenes de ganancias se redujeron en un 40%. Inclusive hubo señales durante el año de que la relación tradicional entre las cadenas televisivas y sus filiales locales podría estar acercándose al fin.

AUDIENCIA
- La televisión local siguió siendo la fuente de noticias más popular en la nación durante el 2008, pero, porcentualmente, fue uno de los perdedores más grandes en audiencia. Un poco más de la mitad de los estadounidenses son actualmente telespectadores regulares (52%), según una encuesta del Pew Research Center, bajando de los casi dos tercios (64%) de audiencia registrada hace una década.
- El número de telespectadores de los telediarios vespertinos locales, esos que se transmiten a la hora de la cena, cayó en promedio 4.5%, según un análisis realizado por el PEJ en base a datos de ratings proporcionados por Nielsen. Para las noticias nocturnas, después del horario de programación principal, los números se redujeron en cada uno de los cuatro meses de encuestas de ratings. Los telediarios matutinos y de medio-día permanecieron estables.
- La cuota, o porcentaje de personas viendo televisión que están sintonizadas a las noticias locales, también disminuyó en tres de los cuatro meses de encuestas de ratings para los telediarios vespertinos de horario más temprano.

ECONOMÍA
- Los ingresos por publicidad de la televisión local cayeron en un 7% en comparación con el año anterior, y se esperaba cayeran otro 7% a 11% en el 2009, según el Buró de Publicidad en Televisión (Television Bureau of Advertising). Las estaciones fueron especialmente golpeadas por el colapso en la industria automovilística, su anunciante más grande, y los anuncios políticos sumaron un total decepcionante de $2 mil millones—lo mismo que en las elecciones de medio término del 2006.
- Los propietarios de las estaciones locales tuvieron que hacer frente a una mayor competencia por
publicidad de parte de los canales de cable locales. Para el periodo 2007 a 2012, los analistas de los medios de comunicación Veronis Suhler Stevenson, estiman que los ingresos por publicidad local crecerán a una tasa compuesta de crecimiento anual del 8.8% para las estaciones locales de televisión por cable, y únicamente el 0.2% para la televisión local.

- La demora en el cambio a la transmisión digital de febrero de 2009 a junio añadió a la tensión financiera; las estaciones debieron pagar para mantener en función sus equipos analógicos y demorar su modernización digital.

**Ratings promedio de las noticias vespertinas**
Meses de encuestas de ratings, 2005-2008

**INVERSION EN NOTICIAS**

- Las estaciones locales reportaron que esperaban transmitir la misma cantidad de noticias en el 2008 que en el año anterior: un promedio de 4.1 horas por cada día de semana. La mayoría no esperaba incrementar esta cantidad en el 2009, tampoco. Esto representa una tendencia contraria a los años anteriores.
- Menos estaciones reportaron contrataciones de personal, y el tamaño mediano de personal disminuyó a 28 de un record de 30 en el año anterior, según una encuesta del 2007 a directores de noticias. Para finales del 2008, los despidos estaban incrementando. Había evidencia de que los presentadores costosos eran especialmente vulnerables a los recortes.

**PROPIEDAD**

- Con el crédito limitado y los ingresos disminuyendo, el número de estaciones de televisión vendidas fue la mitad del número registrado el año anterior y el número registrado el año anterior y el más bajo desde el 2004. Según una cuenta, 96 estaciones fueron vendidas de enero a diciembre del 2008, por un valor total de $866 millones. Esto se compara con 294 en todo el 2007 por un valor de $2.9 mil millones. El valor de las acciones de las compañías públicas dueñas de sus propias estaciones también se desplomó.

**TENDENCIAS DIGITALES**

- El crecimiento en los ingresos por publicidad en línea de los sitios Web propiedad de las estaciones locales de televisión fue mucho más lento en el 2008. En marzo, la firma de investigación de mercado Borrell Associates proyectó un crecimiento de un 47% (a $1.1 mil millones en toda la industria), pero redujo sus proyecciones ocho meses más tarde a 8% (alrededor de $833 millones).
Ingresos promedio por estación
1995-2007, Promedio de todas las estaciones que producen noticias

Source: BIAfn MediaAccess Pro
Inflation adjustment is based on 2007 dollars
REVISTAS

Para las revistas estadounidenses, el 2008 podría valorarse como el año en que el modelo tradicional de audiencia masiva finalmente colapsó. U.S. News & World Report efectivamente abandonó su formato de edición impresa de revista de noticias semanal a cambio de la producción mensual de guías, dejando la cobertura de noticias para su sitio Web. Newsweek anunció en febrero de 2009 que se transformaría en una publicación de nicho. Time siguió participando en dos mundos, manteniendo una base de audiencia más pequeña aunque aun grande mientras que se trasladaba hacia una mayor cobertura temática impulsada por columnistas y análisis.

Audiencia

- La circulación de las ocho revistas de noticias a las que el PEJ da seguimiento, cayó en un 4.8%, según el Audit Bureau of Circulations. Newsweek tuvo la mayor caída, con un 13%, quedando en 2.7 millones de copias por semana en los primeros seis meses del 2008, en comparación con el mismo periodo en el 2007. U.S. News & World Report cayó 10% a 1.8 millones. Time tuvo una baja insignificante de tres decimos de un por ciento, a 3.4 millones.
- La revista The Economist añadió circulación por tercer año consecutivo en un 8% a un promedio de 747,254 copias por número en los primeros seis meses del año versus el mismo periodo del año anterior. La revista The Week aumento 2%, a más de 500,000 copias. La revista The Atlantic tuvo un alza del 12% a casi 400,000 copias.
- En general, la audiencia para revistas de todos tipos disminuyó en un 7% en el 2008.

- Según una encuesta del Pew Research Center, menos de una cuarta parte de los adultos estadounidenses dijeron haber leído algún tipo de revista el día anterior—un descenso en comparación con una tercera parte de los mismos en 1994. Para las revistas de noticias en particular, el 12% reportó leer una de estas revistas "regularmente", bajando en 2 puntos porcentuales desde el 2006.

Economía

- Las páginas de anuncios de Time y Newsweek cayeron en un 19%. El número de páginas de anuncios de U.S. News & World Report cayó en un 32%.
En las 251 revistas analizadas por el Publishers Information Bureau, el número de páginas de anuncios cayó en un 12% durante los primeros tres trimestres del 2008, comparado con una caída del 1% durante el mismo periodo en el 2007.

La circulación de las tres grandes revistas de noticias y su cambio en el tiempo
1988-2008

PROPIEDAD

Por segundo año consecutivo, se introdujeron menos nuevas revistas y las ventas decayeron. Hubieron 42 fusiones y adquisiciones entre revistas de consumidores, lo que representa una caída de un 25% desde el año anterior y el total más pequeño desde el 2001, y además el valor de los acuerdos cayó en un asombroso 97%.

La compañía Advance, propietaria de las revistas Condé Nast, fue el propietario de revistas con mayores ganancias en los rankings del 2008, con $3.9 mil millones en ingresos, por encima de la división de revistas de Time Warner, Time Inc., que obtuvo $3.6 mil millones en ingresos. Hearst le siguió con $2.3 mil millones.

TÍTULOS DE OPINIÓN

A medida que la marea Demócrata subió en el 2008, las revistas de opinión conservadoras National Review y The Weekly Standard aumentaron su circulación, mientras que las revistas liberales The Nation y The New Republic experimentaron leves descensos.

Menos de dos años después de la venta de The New Republic a la compañía de medios de comunicación más grande de Canadá (CanWest), el veterano editor-en-jefe Martin Peretz apareció entre un grupo de inversores quienes la compraron de vuelta a principios del 2009.

TENDENCIAS DIGITALES

Según Veronis Suhler Stevenson, los ingresos por anuncios digitales representaron únicamente un 2% ($542 millones) de todos los ingresos de las revistas en el 2007, en comparación a un 41% proveniente de la circulación ($10 mil millones) y 58% ($14 mil millones) de la publicidad.

La porción de los ingresos digitales estaba proyectada para incrementar en cerca del 3% en el 2008, pero se espera que la tasa de crecimiento disminuya en los próximos cuatro años. En resumen, la Web no será el futuro de la industria de las revistas, por lo menos según la perspectiva actual.
Visitas únicas por mes a selectos sitios Web de revistas
Noviembre de 2006; Noviembre de 2007; Noviembre de 2008

Source: Nielsen
In November 2006 The Atlantic did not meet the minimum requirement for measurement
En mayor medida que algunos de los otros medios de comunicación, la radio parece estar mejor adecuada para la transición a lo digital. La voz y la música se transmiten fácilmente en nuevas plataformas. Y el audio ha mostrado un mejor desempeño en cuanto a retener su audiencia que lo logrado por otros sectores. La radio tradicional AM/FM es aún la forma dominante en la que las personas escuchan, aunque su agarre se ha resbalado a medida que las personas sintonizan desde sus computadoras y aparatos móviles y se trasladan hacia la modalidad de escuchar lo que ellos quieren, y cuando lo quieren. Aun está por verse cómo le irá a las noticias en medio de estos cambios.

AUDIENCIA
- Las audiencias de radio AM/FM crecieron poco o cayeron dependiendo de la forma como se las cuenta. Arbitron reportó una pequeña alza en la audiencia para noticias y programas de charla de un 2% a 48 millones. Pero los datos de encuestas del Pew Research Center muestran pequeñas disminuciones en el número de personas que dijeron haber escuchado las noticias en la radio el día anterior (a un 35% en el 2008 de un 36% en el 2006).
- Sirius XM, la compañía de radio por satélite creada mediante la fusión de las dos compañías pioneras de la industria, esperaba terminar el año con un 9.2% más de suscriptores de lo que tenían las dos compañías el año anterior.
- Las emisiones de podcasts están creciendo. Según datos de encuestas del Proyecto Pew sobre el Internet y la Vida Americana (Pew Internet and American Life Project), un 19% de personas reportaron haber bajado un podcast en el 2008, aumentando del 12% en el 2006. De los top 10 podcasts más escuchados, solamente 3 fueron clasificados como noticias y política.

ECONOMÍA
- Esas caídas fueron mitigadas por las ganancias en ingresos provenientes de otras fuentes asociadas con las estaciones de radio, particularmente el Internet, las vallas publicitarias, los conciertos y otras fuentes fuera del aire. Pero la vasta mayoría, equivalente a un 90%, aun proviene de los ingresos de programas al aire.
INVERSIÓN EN NOTICIAS

Las noticias por la radio, que de por sí ya operaban a una fracción del tamaño de hace décadas, parecen encaminarse hacia otro periodo de contracción causado por las reducciones en los gastos de anuncios locales. Se anticipaba que las salas de redacción—que en promedio ya tienen solo un poco más de dos personas produciendo noticias para tres estaciones—disminuyeran aún más su personal.

Principales temas de podcast, diciembre de 2008
Número de podcasts

Aun la organización sin fines de lucro National Public Radio anunció despidos—por el orden del 7% de su personal de casi 900—y canceló dos programas.

En el 2007, el número de minorías trabajando en la radio aumentó a un 12%, de 6% el año anterior, según datos de encuestas de Hofstra University y la Asociación de Directores de Noticias de Radio y Televisión (Radio Television News Directors Association). Estos cambios podrían atribuirse a pequeñas variaciones en la muestra, pero en todo caso indican un porcentaje relativamente bajo.

PROPIEDAD

Mientras que el participante más grande de la industria, Clear Channel Communications completó su venta a inversionistas privados en el 2008, el esperado incremento en este tipo de acuerdos no llegó a hacerse realidad.

En la radio por satélite, dos pioneros se fusionaron para formar a Sirius XM Radio, pero la decreciente economía pronto los forzó a aceptar a un nuevo inversor para evitar caer en mora con sus pagos de deudas.

RADIO CHARLA

El número de estaciones de radio que ofrecen al menos un programa de charlas, lo que incluye desde charla política a consejería, creció en un tercio en el 2008, a 2,056 de 1,370 el año anterior, según la revista Inside Radio.


Las noticias no fueron tan buenas para los liberales. El anfitrión del programa sindicado de tendencia liberal más grande, Ed Shultz, disminuyó su audiencia a 3 millones de radioescuchas, de 3.25 millones en el 2007, según Talkers Magazine.
Ingresos de audio: Proyecciones de crecimiento
2008-2012

Source: Veronis Suhler Stevenson, “Communications Industry Forecast 2008-2012”
Para un sector que tuvo uno de los mejores desempeños en el periodismo en años anteriores, el año para los medios étnicos podría más bien describirse como agridulce. Hubo historias de pérdidas en los ingresos, cierres de negocios y reestructuraciones, y también historias afirmando que a los medios étnicos les había ido mejor que a los principales medios establecidos. La candidatura de Barack Obama conllevó a inversiones significativas en la cobertura de noticias por parte de los medios afroamericanos e hispanos. Y algunos sectores de los medios de habla hispana experimentaron un incremento monetario proveniente de la publicidad de la campaña electoral. Sin embargo, a medida que los síntomas de la recesión se profundizaron, el prospecto de mayores pérdidas en los ingresos por publicidad significó una amenaza particularmente seria para las organizaciones pequeñas.

**HISPANO**
- De los tres más grandes diarios en español, dos experimentaron leves bajas en la circulación pero no tanto como la baja de 4.6% experimentada por los principales periódicos establecidos de los Estados Unidos. La circulación del tercero y más grande, La Opinión de Los Ángeles, cayó considerablemente, algo que su editor atribuyó a un aumento en el precio.
- ImpreMedia, un grupo de periódicos en español, lanzó Impre.com, un importante portal de noticias en línea con la esperanza de atraer al creciente número de hispanos en línea.
- En la televisión, Univisión una vez más tuvo mejor desempeño que sus contrapartes en inglés en el horario principal de programación y en los ratings de noticias en los mercados clave. Su rival, Telemundo, gozó de un alza en los ratings y firmó un acuerdo para exportar programación a México.
- El Sea Latino de Seattle lanzó ediciones nacionales en mercados clave con la meta ambiciosa de ser el “USA Today de los hispanos de la nación.”

**AFROAMERICANO**
- La circulación promedio semanal entre los 189 periódicos que pertenecen al Black Press of America, fue de 250,000—la mitad de lo que fue en el 2000. Uno de los últimos diarios afroamericanos, el Chicago Defender, pasó a ser una publicación semanal.
- Entre las revistas, la circulación de Ebony aumentó en un 3% a 1.5 millones. La circulación de Jet aumentó en un 2% a 929,599. Y Black Enterprise,
una revista de negocios, tuvo un aumento de un 2%, a 530,655 copias.

Las tres cadenas afroamericanas de televisión por cable expandieron su alcance—o disponibilidad en los hogares—en el 2008, según datos de SNL Kagan. La más grande, BET, tuvo un alcance de 90.5 millones de hogares en el 2008, lo que representó un aumento de un 3%.

Radio One, la compañía de radio emisión más grande de propiedad afroamericana dirigida a radioescuchas afroamericanos y urbanos, reportó pérdidas en aumento que provocaron que la compañía vendiera algunas estaciones e invirtiera en negocios digitales.

La circulación de los principales diarios en español
Para el semestre finalizado en septiembre 30, 2001-2008

Source: Audit Bureau of Circulation publisher’s statements

ASIÁTICO AMERICANO

Los medios de comunicación impresos de la comunidad asiática tuvieron éxito en algunos sectores—particularmente el sector de los periódicos grandes y el sector en línea—y problemas en otros sectores. Pero uno de sus semanarios más grandes, el AsianWeek, cerró.

New Tang Dynasty, una organización sin fines de lucro con sede en Nueva York que se describía a sí misma como la única estación de televisión independiente en transmitir su señal en la China, fue efectivamente bloqueada de transmitir en ese país a raíz de una disputa con las autoridades chinas.

El gigante del cable Comcast cerró a AZN Television, la cual se había promocionado como una “cadena televisiva para la América asiática.”

ARABE AMERICANO

El número de periódicos árabe americanos aumentó en un 10% a 85 en el 2008, según la Asociación Nacional de Periodismo Árabe Americano (National Arab American Journalism Association).

A final del 2008, Al Jazeera English fue disponible en tres mercados de televisión por cable—Toledo, Ohio, Burlington, Vermont y el Distrito de Columbia. También se encuentra disponible en los Estados Unidos por medio de satélite digital en GlobeCast World TV.

INDÍGENA AMERICANO

Los medios de comunicación de la comunidad indígena de los Estados Unidos alcanzaron un hito en el 2008 con el debut de su primera cadena televisiva de cable tribal.

Un esfuerzo por expandir el número de emisoras de radio pertenecientes a los indígenas americanos dio resultado en el 2008. Treinta y ocho tribus y organizaciones solicitaron ante la FCC un total de 51 aplicaciones de licencias y a final del 2008, 29 de esas aplicaciones fueron otorgados permisos de construcción para nuevas estaciones de radio.
La circulación de los más importantes periódicos afroamericanos
2006-2008

Source: Audit Bureau of Circulations Publisher’s Statements for the six-month period ending September 30
¿Qué tipo de menú de noticias ofrecieron al público los principales medios establecidos en el 2008? Un análisis de alrededor de 70,000 historias provenientes de 48 canales de difusión en cinco sectores distintos señala características clave de la cobertura en un año dominado por dos mega-historias. Entre los hallazgos en general están:

- Los medios fueron lentos en dar seguimiento y reconocer las dimensiones de un bajón en la economía, y en su mayoría no vieron venir la crisis bancaria y financiera. En el segundo trimestre del año, el 47% de toda la cobertura económica estudiada por el PEJ tenía que ver con el alza en los precios del petróleo y la energía, un asunto que no era el central para los problemas económicos. La prensa también se alejó de la cobertura a la economía justo antes del colapso en septiembre. En agosto, la economía ocupaba apenas el 5% del espacio para noticias—una disminución comparada con el 11% en junio y el 14% en julio, y el nivel más bajo de todo el año.

- Lo que en el 2007 fuera una agenda de noticias estrecha, se redujo aun más en el 2008. Dos historias—las elecciones presidenciales y la crisis económica—constituyeron la mitad de la cobertura total estudiada el año pasado. Un año antes, las dos historias más importantes (la guerra en Irak y la campaña electoral) ocuparon alrededor de la mitad de ese espacio. Al mismo tiempo, la atención de los medios a una serie de temas internacionales y nacionales disminuyó en el 2008. La cobertura a la guerra en Irak cayó en más del 75%.

- Las inclinaciones ideológicas de los presentadores de la televisión por cable no solo afectaron lo que decían sobre los candidatos sino también los temas de la campaña en los que enfocaban su atención. En los programas de Fox News presentados por los conservadores Bill O’Reilly y Sean Hannity, por ejemplo, la conexión de Barack Obama al Reverendo Jeremiah Wright fue la historia más importante del año en cuanto a la campaña electoral. En contraste, los programas de MSNBC presentados por los liberales Keith Olbermann y Rachel Maddow, favorecieron la discusión sobre el tema (No. 2 luego de la economía) de los ataques de John McCain a Obama.

**Cobertura a la economía a través del tiempo 2007 a 2008**

Al sacar provecho del punto de vista local de las grandes historias, los diarios más pequeños del país (con una circulación bajo 100,000 copias) proporcionaron una mayor cobertura sobre la crisis económica y la guerra en Irak que sus contrapartes de los grandes medios impresos. Los diarios pequeños ofrecieron la mayor cobertura de primera plana sobre la crisis económica (26% vs. 18%), y la guerra en Irak (8% vs. 5%)—principalmente por medio de la descripción del impacto de estas historias en sus propias comunidades.

Los telediarios matutinos y vespertinos de las cadenas televisivas proporcionaron una cobertura sustancialmente diferente sobre el tema de las elecciones. Los programas matutinos Today, Good Morning America y el Early Show dedicaron más tiempo al aire a las elecciones (un 37% versus el 27% de su contrapartes vespertinas). También se enfocaron más en los aspectos de la carrera en sí (un 70% comparado a un 59% en la noche), y menos en los asuntos de políticas (un 11% vs. 15% en la noche).

En el tema de las elecciones, los medios de comunicación hispanos y afroamericanos actuaron más como partidarios, profesores e inclusive organismos de control de lo que lo hiciera la prensa establecida. De hecho, los periódicos de lengua hispana y los afroamericanos dedicaron más de dos veces el espacio que los periódicos en inglés para explicar detalles específicos sobre el proceso de votación—por ejemplo los documentos necesarios y los horarios de cierre de las urnas.

El sector en línea se distinguió por su compromiso con las noticias internacionales, aun en un año en el que dicha cobertura disminuyó a través de los demás sectores. Los sitios Web de noticias estudiados dedicaron más de una cuarta parte de su espacio para noticias (un 27%) a la cobertura de eventos globales y de relaciones internacionales, más que cualquier otro sector mediático y mucho más que el total de la prensa en general (17%).

Los programas de titulares de la radio (de la CBS y la ABC)—que proporcionan un resumen breve pero de temática amplia sobre los eventos diarios—se alejaron dramáticamente de los medios en general en dos áreas importantes. Estos servicios de noticias breves dedicaron solamente un 16% del tiempo estudiado al tema de las elecciones y la política, menos de la mitad del tiempo dedicado por los medios en general (un 34%). Y ofrecieron un margen significativamente mayor de cobertura sobre temas de la economía y los negocios (un 25% versus un 15% en general).

Las historias más importantes: Cable vs. otros sectores mediáticos 2008

![Diagrama de barras mostrando la cobertura de noticias en diferentes medios]

- **Election**: 70%
- **U.S. Economy**: 60%
- **Iraq War**: 30%

**Source:** PEJ, A Year in the News 2008

**Note:** Election includes stories about the campaign, results, and the transition

**U.S. Economy** includes stories about the financial crisis, economic numbers, gas/oil prices, auto industry, and Freddie Mac/Fannie Mae

**Iraq War** includes stories about Iraq policy debates, events in Iraq, and Iraq homestead