

Overview – Intro

Intro
By the Project for Excellence in Journalism

Glance at some items in the news of late and it seems that many long-held ideas about journalism are unraveling.

President George Bush told ABC's Diane Sawyer in December that he preferred to get his news not from journalists but from people he trusted, who "give me the actual news" and "don't editorialize." After spending time at the White House, the New Yorker writer Ken Auletta concluded that senior staff members there saw the news media as just another special interest group whose agenda was making money, not serving the public – and surveys suggest increasingly that the public agrees.

Some argue that as people move online, the notion of news consumers is giving way to something called "pro-sumers," in which citizens simultaneously function as consumers, editors and producers of a new kind of news in which journalistic accounts are but one element.

With audiences now fragmented across hundreds of outlets with varying standards and agendas, others say the notions of a common public understanding, a common language and a common public square are disappearing.

For some, these are all healthy signals of the end of oligarchical control over news. For others, these are harbingers of chaos, of unchecked spin and innuendo replacing the role of journalists as gatekeepers over what is fact, what is false and what is propaganda. Whichever view one prefers, it seems everything is changing.

Or is it?

This study, the first in what is to be an annual report on the state of the news media in America, is an attempt to answer this question, to take stock each year of the state and health of American journalism.

The answer we arrive at in 2004 is that journalism is in the midst of an epochal transformation, as momentous probably as the invention of the telegraph or television.

Journalism, however, is not becoming irrelevant. It is becoming more complex. We are witnessing conflicting trends of fragmentation and convergence simultaneously, and they sometimes lead in opposite directions.

While audiences are fragmenting, we have greater capacity than ever to come together as a nation in an instant – for September 11, the Super Bowl or watching soldiers live on the battlefield in Iraq. While Americans are turning to more and varied sources for news, the media that they are relying on increasingly tend to be owned by a few giant conglomerates competing to cover what seem to be at any moment a handful of major stories.

Quality news and information are more available than ever before, but in greater amounts so are the trivial, the one-sided and the false. Some people will likely become better informed than they once could have been as they drill down to original sources. Other consumers may become steeped in the sensational and diverting. Still others may move toward an older form of media consumption – a journalism of affirmation – in which they seek news largely to confirm their preconceived view of the world.

The journalists' role as intermediary, editor, verifier and synthesizer is weakening, and citizens do have more power to be proactive with the news. But most people will likely do so only episodically. And the proliferation of the false and misleading makes the demand for the journalist as referee, watchdog and interpreter all the greater.

These conflicting movements toward fragmentation and convergence are not new to the culture in general or media in particular, but they have different consequences when they come to news. Journalism is how people learn about the world beyond their direct experiences. As our journalism fragments, it has consequences for what we know, how we are connected and our ability to solve problems.

Eight Major Trends

Eight Major Trends

For now, the year 2004, the transformation is shaped by eight overarching trends:

- **A growing number of news outlets are chasing relatively static or even shrinking audiences for news.** One result of this is that most sectors of the news media are losing audience. That audience decline, in turn, is putting pressures on revenues and profits, which leads to a cascade of other implications. The only sectors seeing general audience growth today are online, ethnic and alternative media.
- **Much of the new investment in journalism today – much of the information revolution generally – is in disseminating the news, not in collecting it.** Most sectors of the media are cutting back in the newsroom, both in terms of staff and in the time they have to gather and report the news. While there are exceptions, in general journalists face real pressures trying to maintain quality.
- **In many parts of the news media, we are increasingly getting the raw elements of news as the end product.** This is particularly true in the newer, 24-hour media. In cable and online, there is a tendency toward a jumbled, chaotic, partial quality in some reports, without much synthesis or even the ordering of the information. There is also a great deal of effort, particularly on cable news, that is put into delivering essentially the same news repetitively without any meaningful updating.
- **Journalistic standards now vary even inside a single news organization.** Companies are trying to reassemble and deliver to advertisers a mass audience for news not in one place, but across different programs, products and platforms. To do so, some are varying their news agenda, their rules on separating advertising from news and even their ethical standards. What will air on an MSNBC talk show on cable might not meet the standards of NBC News on broadcast, and the way that advertising intermingles with news stories on many newspaper Web sites would never be allowed in print. Even the way a television network treats news on a prime time magazine versus a morning show or evening newscast can vary widely. This makes projecting a consistent sense of identity and brand more difficult. It also may reinforce the public perception evident in various polls that the news media lack professionalism and are motivated by financial and self-aggrandizing motives rather than the public interest.
- **Without investing in building new audiences, the long-term outlook for many traditional news outlets seems problematic.** Many traditional media are maintaining their profitability by focusing on costs, including cutting back in their newsrooms. Our study shows general increases in journalist workload, declines in numbers of reporters, shrinking space in newscasts to make more room for ads and promotions, and in various ways that are measurable, thinning the product. This raises questions about the long term. How long can news organizations keep increasing what they charge advertisers to reach a smaller audience? If they maintain profits by cutting costs, social science research on media suggests they will accelerate their audience loss.
- **Convergence seems more inevitable and potentially less threatening to journalists than it may have seemed a few years ago.** At least for now, online journalism appears to be leading more to convergence with older media rather than replacement of it. When audience trends are examined closely, one cannot escape the sense that the nation is heading toward a situation, especially at the national level, in which institutions that were once in different media, such as CBS and The Washington Post, will be direct competitors on a single primary field of battle – online. The idea that the medium is the message increasingly will be passé. This is an exciting possibility that offers the potential of new audiences, new ways of storytelling, more immediacy and more citizen involvement.
- **The biggest question may not be technological but economic.** While journalistically online appears to represent opportunity for old media rather than simply cannibalization, the bigger issue may be financial. If online proves to be a less useful medium for subscription fees or advertising, will it provide as strong an economic foundation for newsgathering as television and newspapers have? If not, the move to the Web may lead to a general decline in the scope and quality of American journalism, not because the medium isn't suited for news, but because it isn't suited to the kind of profits that underwrite newsgathering.
- **Those who would manipulate the press and public appear to be gaining leverage over the journalists who cover them.** Several factors point in this direction. One is simple supply and demand. As more outlets compete for their information, it becomes a seller's market for information. Another is workload. The content analysis of the 24-hour-news outlets suggests that their stories contain fewer sources. The increased leverage enjoyed by news sources

has already encouraged a new kind of checkbook journalism, as seen in the television networks efforts to try to get interviews with Michael Jackson and Jessica Lynch, the soldier whose treatment while in captivity in Iraq was exaggerated in many accounts.

These are some of the conclusions from this new study of the state of American journalism, a study that we believe is unprecedented in its comprehensive scope. The report breaks American journalism into eight sectors – newspapers, magazines, network television, cable television, local television, the Internet, radio, and ethnic and alternative media (which are distinct from each other).

For each of the media sectors, we tried to answer basic questions in six areas: the trends in content, audience, economics, ownership, newsroom investment and public attitudes. We aggregated as much publicly available data as is possible in one place and, for six of the sectors, also conducted an original content analysis. (For local television news, we relied on five years of content analysis the Project had previously conducted. For radio, ethnic and alternative media, no special content analysis was conducted.)

The study is the work of the Project for Excellence in Journalism, an institute affiliated with Columbia University Graduate School of Journalism. The study is funded by the Pew Charitable Trusts, whose leadership challenged us to take on this assignment.. The chapters were written, with the exceptions of those on network television, cable, and newspapers, which had co-authors, by the Project's staff.

Our aim is for this to be a research report, not an argument. It is not our intention to try to persuade anyone to a particular point of view. Where the facts are clear, we hope we have not shied from explaining what they reveal, making clear what is proven versus what is only suggested. We hope, however, that we are not seen as simply taking sides in any journalistic debates.

We have tried to be as transparent as possible about sources and methods, and to make it clear when we are laying out data versus when we have moved into analysis of that data.

We believe our approach of 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 venues. We hope this will allow us and others to make comparisons and develop insights that otherwise would be difficult to see. Across the six questions we examined we found some distinct patterns.

Content Analysis

Content

The proliferation of new outlets and the increasingly instantaneous nature of newsgathering are creating three basic trends in the content of American journalism.

First, the content is more diverse. Network news, news magazines, and newspaper front pages carry a wider range of topics. But a good deal of the new diversity is in lighter fare – lifestyle, entertainment, consumer news – rather than news about diverse communities or populations. Some outlets are thriving as they reject the trend toward that lighter content. The success of NPR in radio, The Economist among magazines and The New York Times among newspapers suggest the possible rise of a growing elite niche across media sectors.

Second, as more outlets split up the audience and create more competition, financial pressures have led cable and broadcast to devote more of their news holes to branding efforts such as promotions and teases, and more commercials.

Third, to vie for audience in a more crowded 24-hour news environment, there is more pressure to run with stories more quickly – to get, as mentioned above, newsgathering in the raw, and to cover ad nauseam a few big blockbuster stories since it is cost efficient

Cable news channels have largely abandoned the traditional story-telling of written and edited packages in favor of live interviews and reporter stand-ups. This unscripted, extemporaneous approach to reporting does not lend itself to producing content that will move to the Web or that will survive beyond the moment. What is more, if the purpose behind the emphasis on live reports is to offer the most up-to-date information, the content often comes up short. News on cable, and on the Internet as well, is heavily repetitive.

The cable channels in the main follow a handful of stories each day on a fairly narrow range of topics, leaving the larger part of the news menu to anchor reads and the screen crawl.

At the risk of oversimplification, newspapers, the oldest medium, continue to have the strongest content, if for no other reason than that they still tend to have the most reporters. This also gives them an advantage in the transition to the Internet, at least for now, because the Web for the moment remains largely a text-based medium.

News Web sites on the whole are more like newspapers in their content and in their news agenda.

In news magazines hard news topics are losing space, while more is going to lifestyle matters like personal finance and diet. These are not strictly news magazines anymore so much as weekly general interest publications. Meanwhile, the growth in magazine titles is occurring in niche specialty publications about such topics as mountain biking and doll collecting.

[Click here for methodology information.](#)

Audience

Audience

The audience for journalism is now scattered across vastly more outlets (and more media sectors) than even a decade ago.

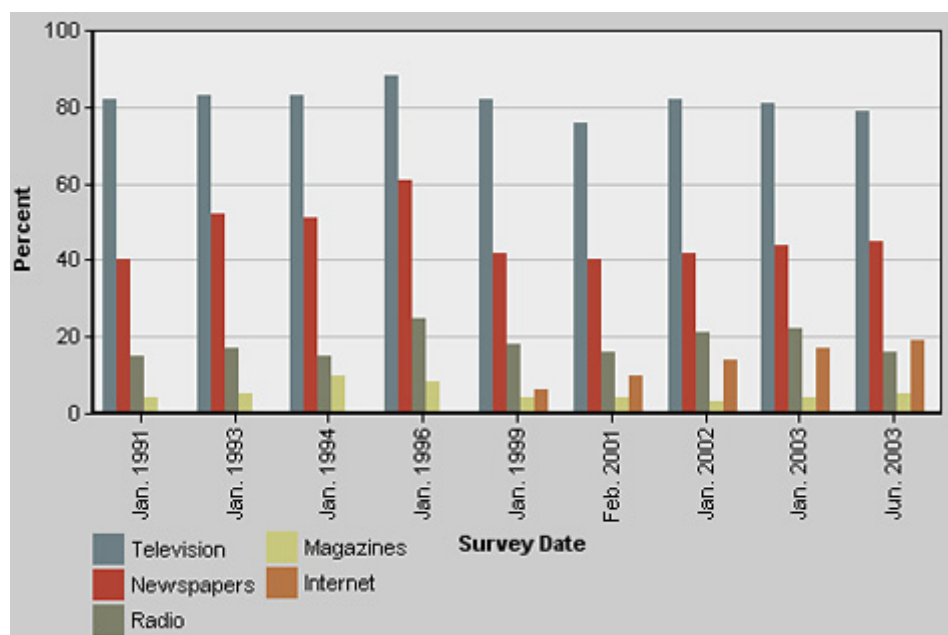
Still, tracking the question “Where have you been getting most of your news about national and international issues?” shows some clear trends over time. Television dominates, followed by newspapers, then radio and now, closely behind, by the Internet.

According to February 2003 numbers from the Pew Research Center for the People and the Press, 83 percent of Americans get most of their news from television, 42 percent from newspapers, 19 percent from radio, and 15 percent from the Internet. (The survey questions usually allow more than one answer.)

Reliance on television increases even more, according to the surveys, in times of crisis such as the war in Iraq or immediately after September 11. Television use goes up and everything else seems to drop, particularly print, though the shifts are temporary.

Where People Go for National/International News

1991 to 2003



Source: Pew Research Center, “Strong Opposition to Media Cross-Ownership Emerges: Public Wants Neutrality and Pro-American Point of View”

* Survey qu.: How have you been getting most of your news about national and international issues? From television, from newspapers, from radio, from magazines, or from the Internet?

However, while the dominant media sectors of the 20th century – mainstream, general interest newspapers, network television and local television news – still attract the largest number of people, all are losing audience.

Meanwhile, online, ethnic and alternative media are growing markedly. According to one survey, a record 150 million Americans went online in September 2003, and other surveys show half of Internet users get news online at least once a week.

The growth in ethnic media is similarly impressive. Consider, for instance, that the circulation of Spanish-language newspapers has more than tripled in the last decade to 1.7 million, at a time when English-language newspaper circulation has declined 11 percent.

The three growth areas in journalism share the same strength – the opportunity for audiences to select tailored content and, in the case of the Internet, to do it on demand.

Cable news had been growing since the late 1990s but is no longer doing so, (though the press generally reports audience growth since the cable networks average the numbers in ways that make them appear larger than they really are). Perhaps one reason cable audiences have not grown in two years is that while cable is immediate, it does not offer audiences the ability to search and customize the information that the Internet does. The only cable network that is growing, Fox News, may have an advantage in this regard: it is already tailoring itself for a niche consisting, according to survey data, of a more conservative audience.

Radio and news magazine audience numbers, like cable, are largely flat. The energy and the growth in these sectors are in those places targeting specialized audiences with high quality content – smaller circulation outlets like *The Economist* in magazines and NPR in radio.

Economics

Economics

For all the trouble with audiences, the economics of journalism in general are remarkably strong.

In the older media sectors, profitability remains robust. Newspapers made around a 20 percent profit in 2003. Local television news stations make roughly double that. Radio news, too, is a significant contributor to the bottom line for its owners, representing about 11 percent of the revenues of major radio companies.

Network television news is still a big revenue engine and in the late 1990s was perhaps the most reliably profitable part of the network television business, ahead of entertainment. But major news events like the war in Iraq cost so much to cover, network insiders say privately, that they whittled down profitability in 2003.

How can revenues be up for these media where audiences are down? In an era of fragmentation, these media continue to stand out as among the few places where advertisers can still attract a crowd. It may not be as big a crowd as it once was, but attracting any crowd has become harder.

Yet as other sectors attract more of the audience, they are attracting more and more advertising. Ad revenues for Spanish-language newspapers, for instance, have increased sevenfold between 1990 and 2001, from \$111 million to \$786 million, according to figures from the Latino Print Network.

The Internet, in turn, began to turn the corner on profitability in 2003, though the medium still relies largely on old media for its content and in many instances much of its costs. The overall profit numbers are small compared with traditional media, and some major Web sites are still not breaking even. Nonetheless, profits are growing at huge rates. If that continues, in a few years they will be significant contributors to company coffers.

What is less clear, however, is what economic model will work online. Will it be advertising based (like television), subscription based or some combination, and will those profits ever be enough to subsidize the kind of news gathering that newspapers and television did in their heyday. If the Internet is profitable, but not as profitable as old media, the result may be fewer resources for gathering news, spread over more outlets.

Ownership

Ownership

As audiences fragment across more outlets, the corporate response has been to get bigger in order to deliver the audience for advertisers not in one place but under one corporate roof.

The effect of this on journalism is not as simple as the traditional arguments about consolidation might suggest. Critics have decried declining diversity of ownership and the rise of chains in media for 70 years. But the trend continues anyway.

Over the years, the Supreme Court has repeatedly upheld a core principle: out of a diversity of viewpoints, we are more likely to know the truth. Yet we are moving in conflicting directions where we have more outlets for news but fewer owners.

Bigness may give a company the means to provide high quality journalism, but it doesn't guarantee it. Bigness may also simply make journalism a less and less important part of a company's entertainment media portfolio and move it farther away from being a public trust.

As of 2004 here are the facts: In newspapers, 22 companies now represent 70 percent of the daily circulation (73 percent on Sunday), according to data from Editor and Publisher. In radio, the top 20 companies operate more than 20 percent of all the radio stations in the country; one, Clear Channel, dominates, operating stations in 191 of the 289 Arbitron-rated markets. In local television, the 10 biggest companies own 30 percent of all television stations reaching 85 percent of all television households in the United States. In network television, the owners are all giant corporations for whom television, let alone television journalism, represents only a small part of their revenues, less than 30 percent.

In magazines, while there has been consolidation, it is not on the same level as in other media. Many of the big players may be unfamiliar names to most readers of this report, and only four of the top ten magazine companies – Time Warner, Hearst, Advance and Primedia – are among the 25 largest media companies overall.

Online, big companies also prevail, at least when it comes to traffic as measured in aggregate by Nielsen and other ratings monitors. Today, more than half of the 20 most popular news Web sites are owned by one of the 20 biggest media companies. Yet it might be more accurate to say that there will always be two Internet worlds, one controlled by giant companies able to amass large audiences to a few Web sites, and the other populated by the world of citizen bloggers or niche web sites, where much of the innovation and energy may come from.

News Investment

News Investment

Overall, the numbers reveal general declines in how much is invested in newsgathering in American journalism.

Newspapers today have about 2,200 fewer full-time professional newsroom employees than they did in 1990, according to data from the American Society of Newspaper Editors. Interpreting that decline is complicated. First the number of papers has declined. On the other hand, work once done by printers and composing room workers has migrated to the newsroom, adding more jobs in the newsroom related to production rather than newsgathering.

In network news, the number of correspondents since the 1980s has been cut by a third, according to data from Professor Joe Foote at Arizona State University. Correspondent workload has increased by 30 percent, according to Foote, and the number of foreign bureaus, our accounting finds, is down by half.

In local television, the Project's surveys suggest that the average workload increased 20 percent from 1998 to 2002. Fully 59 percent of news directors reported either budget cuts or staff cuts in 2002.

In radio, from 1994 through 2001, the number of full-time radio newsroom employees declined 44 percent and part-time employees declined 71 percent, according to survey data compiled by Professor Robert Papper of Ball State University.

In cable, only Fox appears to be building its news staff, but that is on a relatively small base.

In news magazines in the past 20 years, Time has reduced its staff by 15 percent and Newsweek by a full 50 percent, according to staff boxes published in the magazines. There has without question been some shuffling of names and job titles in these staff boxes. Nevertheless, overall declines are clearly evident. The number of listed foreign bureaus at the major news magazines also has fallen, by 27 percent at Time and 31 percent at Newsweek.

Online, the investment in newsgathering is growing, but for now much of the content is subsidized by the old media.

These facts suggest a difficult environment – more pressure on people, less time to report stories and more reliance on technology, syndicated material and synthesizing second-hand information.

Some of these changes reflect more efficiency created by new technology and companies eliminating waste. Some of the investment in technology, moreover, is inevitable and necessary for modernization. In local television, the government has mandated the transition to fully digital technology within two years. But, technology can also be used to replace the newsgathering skills, homogenize the content, rely more on feed material and wires, which is cheaper than local or original reporting. It is difficult to see how news organizations can distinguish themselves and attract more audience in a more crowded environment if their content is more similar. There is a tendency for branding to be more focused around the style than the substance of reporting.

Public Attitudes

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Public attitudes about the press have been declining for nearly 20 years.

Americans think journalists are sloppier, less professional, less moral, less caring, more biased, less honest about their mistakes and generally more harmful to democracy than they did in the 1980s.

Consider a few changes in the numbers between 1985 and 2002 1:

- The number of Americans who think news organizations are highly professional declined from 72 to 49 percent.
- Those who think news organizations are moral declined from 54 to 39 percent, and those who think they are immoral rose from 13 to 36 percent.
- Those who feel news organizations try to cover up their mistakes rose from 13 to 67 percent.
- The number of Americans who think news organizations generally get the facts straight declined from 55 to 35 percent.
- Those who feel who feel news organizations care about the people they report on declined from 41 to 30 percent.
- Those who think news organizations are politically biased rose from 45 to 59 percent.

The notion of a credibility crisis in the press first gained significant notice in 1985, when a survey report by Kristin McGrath of MORI Research conducted for the American Society of Newspaper Editors declared that “three-fourths of all adults have some problem with the credibility of the media.” 2

A year later, the Times Mirror Center for the People and the Press (now the Pew Research Center for the People and the Press) challenged those findings. That survey, produced for Times Mirror by Gallup, focused on “believability,” not credibility, and considered this a better measure since journalists and their news organizations are supposed to be believed, not loved. “If credibility means believability, there is no credibility crisis,” wrote Andrew Kohut of the Pew Research Center and media analyst Michael Robinson. 3

Since then, however, even the believability of most news organizations has declined, the Center has found. By August 2002, the percentage of Americans who rated their daily newspaper as highly believable fell from 80 to 59 percent. ABC News fell from 83 to 65 percent, CBS from 84 to 64 percent, and NBC from 82 to 66 percent. Local news stations fell from 81 to 65 percent. Virtually every news organization has fallen. Only a few news organizations on the list studied since 1985 stand out for their relative stability – public broadcasting’s “NewsHour” (down just 3 percentage points) and The Wall Street Journal (up slightly).

Various organizations have studied this trend, though often with different questions, and all have found the same basic pattern. Researchers have identified several root causes. A study by Chris Urban for the American Society of Newspaper Editors thought it was inaccuracy and the sense that journalists sensationalize the news to sell newspapers and advance their careers.

Kohut has probably looked at the trend longer and harder than anyone. Fifteen years ago, Kohut says, the public thought the press was “too sensational, too pushy, too rude, too uncaring about people and the public.” But most people saw journalists as moral, professional and caring about the interests of the country. 4

Today, says Kohut, the public considers the news media even less professional, less accurate, less moral, less helpful to democracy, more sensational, more likely to cover up mistakes and more biased.

After watching these numbers closely for years, we at the Project suggest that all of these matters – the questions about journalists’ morality, caring about people, professionalism, accuracy, honesty about errors – distill into something larger. The problem is a disconnection between the public and the news media over motive. Journalists believe they are working in the public interest and are trying to be fair and independent in that cause. This is their sense of professionalism.

The public thinks these journalists are either lying or deluding themselves. The public believes that news organizations are operating largely to make money and that the journalists who work for these organizations are primarily motivated by professional ambition and self-interest.

This disconnect over the motives of journalists may have been exacerbated by the growing critique by conservatives over the last few years that most mainstream news organizations are distorting their coverage with an ideologically liberal agenda. A growing legion of press critics also may have sensitized the public to weaknesses in the news media.

Another factor may be adding to this. People in these surveys are increasingly distrustful of giant corporations, the sort that now own most of the news media.

Footnotes

1. "News Media's Improved Image Proves Short-Lived," August 4, 2002, Pew Research Center for the People and the Press.

2. *Newspaper Credibility: Building Reader Trust, a National Study Commissioned by the American Society of Newspaper Editors*. (Minneapolis: MORI Research Inc., April 1985)

3. *The People & the Press: A Times Mirror Investigation of Public Attitudes Toward the News Media Conducted by the Gallup Organization*. (Washington, D.C.: Times Mirror, January 1986).

4. "The New Rules: 1999 Talking Points," unpublished speech talking points, Andrew Kohut, 1999, used as the basis for various speeches.

Conclusion

Conclusion

The larger trends we see in the data on content, audience, economics, ownership, and newsroom investment all could add to public distrust of the news media. There is something, in other words, of a vicious cycle in the public attitude data. As declining audience leads to newsroom cutbacks and other financial fixes, these reinforce the public's suspicions that news organizations are motivated more by economics than public service.

There is little sense in 2004 of a quick or simple way out. Some news organizations have clearly tried to respond, with efforts like civic journalism, or credibility initiatives by editors groups, or ethics training by television news directors groups, or attempts by news organizations to be more responsive to the public by inviting them into the newsroom.

These steps seem to address the problem, at least in small ways, that newsrooms can control. Yet they have not shown up in the numbers. Indeed, there is only one up-tick in the last 18 years in the general approval or attitudes toward the news media, in the survey data. That came in November 2001, after the terrorist attacks. ¹ The only measurable differences in press performance during that period were these: the press had suddenly become far more serious in what it covered, and more factual and less interpretative in the way it covered it; the media suddenly devoted enormous resources to covering a story of paramount importance even if it cost them money; as a nation we faced a crisis that made the need for journalism more urgent. ²

Those changes in news agenda, though, were not sustained. Within a few months, as the urgency of events subsided, studies found virtually no difference in the local news agenda and only a partial change in the agenda of nightly network news than before September 11. ³ And by August 2002, Pew Center Surveys found the rise in trust to have fallen back. ⁴

It is possible that the public is simply of two minds. It wants a more entertainment-infused, more sensationalized, more interpretative style of news, and the media have given it to them. The public then feels repulsed and derides the messenger for delivering it.

It is also possible that this declining trust has only a little to do with the press, that these attitudes toward the news media are only a reflection of a declining trust in all institutions.

Brushing off these issues as a sign of public hypocrisy or general skepticism, however, seems too glib. The public attitudes aside, something is changing in the news media. Faced with declining audiences, many major news institutions have changed their product in a way that costs less to produce while still attracting an audience. The public senses this and says it doesn't like it.

Blaming the news media for these changes is too easy. Journalism faces more difficult economic circumstances than it once did. Yet the way the news industry responded has helped erode public trust. How long can the profession of journalism endure if people increasingly don't believe it? To reverse the slide in audience and trust will probably take a major change in press behavior, one that will make the news more relevant and customizable and at the same time suggest to the public, as it did briefly after September 11, that the news industry is more concerned with the public good than Americans suspect.

Footnotes

1. "Terror Coverage Boosts News Media's Images," Pew Research Center for the People and the Press, November 28, 2001, available at <http://people-press.org/reports/display.php3?ReportID=143>.

2. "Return to Normalcy: How the Media Have Covered the War on Terrorism," Project for Excellence in Journalism, January 28, 2002, available at <http://www.journalism.org/resources/research/reports/normalcy/default.asp>. "Before and After: How the War on Terrorism Has Changed the News Agenda, Network Television, June to October, 2001," Project for Excellence in Journalism, November 19, 2001, available at <http://www.journalism.org/resources/research/reports/agenda/default.asp>.

3. Ibid.

4. "News Media's Improved Image Proves Short-lived," Pew Research Center for the People and the Press, August 4, 2002, available at <http://people-press.org/reports/display.php3?ReportID=159>.

Author's Note

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People can approach the material in this report several ways. Users can go directly to the media about which they are most concerned – local television news, for example – and drive vertically through it. Or they can focus on a particular issue, such as audience trends, and move horizontally across different media sectors to see where Americans are going for news. Or they can move across the overviews of each sector. They can flip back and forth between our narrative and the interactive chart 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 report.

The report is substantial. It runs more than 500 pages in print and includes extensive tabular appendices. There are more than 400 detailed footnoted source citations to help guide users to original sources.

In addition to this overview, each sector of media is subject to a detailed narrative and synthesis of the data that we hope answer most of the major questions about underlying trends and outline what is unknown as well.

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.

We have attempted, to the best of our ability and 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.

This study is the work of many collaborators, including more than 25 outside readers who are expert in different media sectors, five research partners and dozens of research groups whose data we purchased or got permission to use. The chapters on television and cable were jointly written with Andrew Tyndall of ADT Research, who executed the content analyses on those sectors. The report on newspapers was co-written by Rick Edmonds of the Poynter Institute and PEJ staff. The content analysis was executed by Princeton Survey Research Associates and Tyndall under the direction of the Project. The methodology and statistical work were supervised by Esther Thorson, associate dean for graduate studies and research at the University of Missouri School of Journalism. Irvin Molotsky, former reporter and editor at the New York Times, was the copy editor. We owe a significant debt, as well, to our sister group, the Committee of Concerned Journalists and its chairman, Bill Kovach. More details on their contributions are available [here](#), along with the methodology.

Our focus in this report is on journalism, not media as a whole. There are various important trends in media – such as the implications of consolidation or cable technology on nonfiction entertainment, on music or on drama – that are not covered here.

This annual report was designed with various audiences in mind: journalists, media executives, financial analysts, scholars, students and, most importantly, citizens. We hope it proves useful now and throughout the year for anyone interested in American journalism.

See end of document for Executive Summary.

Newspapers – Intro

Intro

By the Project for Excellence in Journalism with Rick Edmonds

For more than two generations, the percentage of Americans reading newspapers has been shrinking. Until 1970 the problem was partially masked by population growth. Overall circulation kept rising. Through the 1980s most of the circulation losses were occurring in afternoon papers. The survivors were stable and financially robust.

In 1990, however, circulation began declining in absolute terms. It became clearer that the young, the next generation of likely readers, were failing to develop a newspaper reading habit. The lack of immigrant readers and the middle class also became more pressing as those populations grew and now several mainstream newspaper companies are now pursuing the Spanish-language market in particular. What's more, some data now suggest that people who began reading newspapers in recent years-including young people-have stopped. Newspapers are now losing readers across age and demographic groups.

Financially, things have been stronger. The surviving newspapers in town have remained the one place where advertisers can reach the most people with a single ad buy. The demographics are also attractive. If you want to reach opinion and business leaders and the most affluent people in a town, newspapers are the way to go. Revenues and profits in the 1990s have grown robustly, even as circulation has declined.

At the same time, newspapers in any given town usually remain the institution, at least as measured by number of reporters and editors and in our content analysis, with the greatest newsgathering capacity, the widest range of coverage, and largest number of stories each day. Newspapers, in other words, are still the biggest watchdog in town.

The financial strategies of the last two decades brought gains, but in retrospect may also have deferred long-term problems. Chasing demographics rather than readership was a lucrative strategy. But the industry invested comparatively little in things like training, research and development or in long-term projects to attract lost or emerging audience groups. If you were making a lot of money, what was the marginal advantage of investing heavily in more newsgathering to chase less affluent readers?

Now the industry faces an important question. Given their history and their relative strengths, do newspapers believe that if they invest in creating new content and even new kinds of newspapers they can attract new readers? Or is this a mature and declining industry where investing in those things would be throwing money away?

Content Analysis

Content Analysis

What do Americans get from their newspapers?

In general, they get more institutional coverage, a more traditional mix of topics, more news of domestic affairs and government and also more anonymous sourcing than they do in other media. They also get a news agenda, on their front pages at least, that has changed less over the years than in other types of media.

To get a sense of newspaper content, the Project studied 16 newspapers from a range of circulation sizes over the course of a month. First, four randomly selected dates for each day of the week were selected – 28 days in all, spread out from January 8 to October 6 of 2003. Then U.S. daily newspapers were divided into four circulation categories and four papers from each group were selected at random, looking, when possible, for geographic diversity. The Project then examined, in detail, every article from three section fronts: the front page, metro page and lifestyle page. In all, 5,867 articles were studied. ¹

How has the front-page agenda of newspapers changed over the years? We do have some sense of this.

An earlier study by the Project examined the front pages of major newspapers in 1977, 1987 and 1997.

A look at comparable papers in 2003 finds that the front-page agenda has continued a small but steady trend toward a broader definition of news. ² Even in a year with war in Iraq and resulting American deaths, there was no sharp jump in international, military or government coverage.

Subjects of Front Page Newspaper Articles by Year Percent of All Stories

Subject	1977	1987	1997	2003*
Government	33%	33%	30%	27%
Foreign Affairs	27	27	21	21
Military	1	3	*	3
Domestic Affairs	9	9	14	22
Entertainment/Celebrities	*	2	2	1
Lifestyle	4	5	6	8
Crime	9	6	10	4
Business/Commerce	8	6	5	5
Science	1	4	5	5
Accidents/Disasters	7	3	2	3
Other	2	3	4	1

*Analogous percentages are based on the largest circulation category in the 2003 study. Totals may not equal 100 due to rounding.

Government news makes up a somewhat smaller percentage of front-page articles than 20 years ago, and even smaller than in 1997. Foreign affairs, even with the war, made up a smaller number of the articles on the front page than in the 1970s during the cold war, but about the same as six years ago. The number of articles about crime continues to fall on the front page.

At the same time, the number of lifestyle articles keeps climbing, as do the number about other domestic matters besides government.

Topics in the News: Newspapers versus Network Nightly News
Percent of All Stories, 2003

Subject	Network Nightly News	Newspaper A1 Only
Government	16%	26%
Foreign Affairs	25	18
Defense/Military	3	3
Domestic Affairs	16	22
Crime	6	7
Business	12	6
Celebrities/Entertainment	2	1
Lifestyle	6	8
Science	2	3
Accidents/Disasters	10	4
Other	2	2

Totals may not equal 100 due to rounding.

How does the overall newspaper treatment of topics compare to other media studied?

On television, the closest news agenda comparison is newspaper front pages to the network nightly news. Even here, though, there are differences. 3

Newspaper front pages devoted more attention to government news than did network nightly news (26 percent versus 16). The front pages devoted a little less attention to foreign affairs than the network nightly news, something that reflects the local nature of many smaller papers. It may also reflect the fact that much of the foreign coverage often falls on the inside pages of newspapers.

The newspapers devoted more front-page space to domestic issues, but less to economics and a good deal less to accidents and disasters.

Newspapers differ even more from network morning newscasts.

If people were to watch network morning shows instead of reading the front page of a morning newspaper, they would get a very different news agenda – only a third as many stories about government as in newspapers, 11 times as many about entertainment, more than twice as many crime stories and nearly triple the number of accident/disaster stories.

A fairer comparison between newspapers and morning shows (of which we studied the first hour each day, the time more oriented toward major news) might also include the metro and lifestyle sections of the newspaper.

Topics in the News: Newspapers versus Network Morning News
Percent of All Stories, 2003

Subject	Network Morning News	Newspaper A1 Only	Newspaper Total
Government	8%	26%	21%
Foreign Affairs	17	18	7
Defense/Military	4	3	1
Domestic Affairs	10	22	19
Crime	18	7	7
Business	2	6	4
Celebrities/Entertainment	11	1	8
Lifestyle	14	8	23
Science	2	3	2
Accidents/Disasters	11	4	3
Other	3	2	4

Totals may not equal 100 due to rounding.

Even here, there are big differences. Morning shows still had almost a third the number of stories about government, half as many about business, triple the number of accident/disaster stories and twice as many crime stories. The crime

comparison is particularly notable, given that metro sections are often prime territory for crime and that crime is inherently local.

Morning shows also did twice as many foreign stories but half as many lifestyle stories as newspapers across these three section fronts.

When it comes to comparisons with cable, the Internet or news magazines, we must be cautious. While we studied a month of newspapers and network television, an analogous time period for news magazines is only four issues, and for cable news and Internet we studied extended periods over five days.

In general, the news agendas of newspaper front pages and Internet lead articles seem fairly similar and quite traditional. This may come as little surprise. The Internet at this point is largely a print medium, and the articles themselves are mostly wire copy or newspaper articles.

The agenda on cable television news seems different. It is extremely focused on foreign affairs and government, and not so concerned with domestic affairs.

Other Points About Newspapers Overall

Newspapers also stand out from other media for their originality. In all, 85 percent of the articles on newspaper section fronts were staff-generated. That compares to 32 percent of the lead stories on the Internet that were staff-reported. (For Internet this meant a staff person connected to the central news organization, i.e. a New York Times staff person who also reports in the print pages or a CNN correspondent who also appears on air.)

The comparison to television might be to stories with a correspondent involved or clearly some staff reporting, as opposed to brief stories or something explicitly identified as coming from an outside source. In the commercial evening news, 56 percent of stories were staff-produced. In mornings, 64 percent were staff-produced.

What about anonymous sourcing? Earlier studies have suggested the use of confidential sourcing in newspapers depends, not surprisingly, on the article. The level found here is basically consistent with what we found in 2001 in coverage of the response to the terrorist attacks. There, roughly 25 percent of all articles contained anonymous sources. In the broader 2003 study, 28 percent of all articles contained at least one anonymous source.

When confidentiality was granted to sources, there was almost always some attempt by the paper to describe the source's level of knowledge or potential biases, such as a police officer working on a case or a Republican operative. Only 2 percent of articles contained an anonymous source without some description of their relationship to events, such as "sources said."

At the other end of the spectrum, more than half of the articles studied (52 percent) contained the highest level of source description, that is four or more sources who were not only named, but of whom some attempt was made to describe their pertinent knowledge, expertise or potential biases.

How does newspaper sourcing compare to other media? Commercial network television news, evening and morning, was more likely to use blind anonymous sourcing (14 percent on commercial evening and 6 percent on morning versus 2 percent in newspapers) without any description of who the source might be. The commercial networks were about as likely to use at least one anonymous source that they tried to describe (29 percent on evening and 27 percent on morning versus 28 percent for newspapers).

The networks were also less likely than newspapers to contain the highest level of sourcing, four or more named and fully described sources (18 percent for commercial evening news and 8 percent for morning shows versus 52 percent for newspapers and 71% for A1 articles).

Protagonist

Who were newspapers making famous? What was driving the news?

For years critics have argued that television has personalized, or even "celebritized" news, causing journalists to build their stories more around people. The White House, this critique went, became a backdrop for the president. Government stories became focused around a single personality – the mayor in town, taking on the special interests. Politics became more personal. Coverage focused more around scandal.

Does the content bear this out?

Not in 2003 at least, according to this study, and not in newspapers. The news in 2003, apparently, was driven by events.

Overall, only 32 percent of newspaper articles focused at least half of their content around a single personality. If one looks only at Page A1 articles, the number is even smaller, 28 percent. Metro pages were most likely to build articles around individual protagonists, 36 percent.

Newspaper Tendencies Toward a Central Protagonist Percent of All Stories

Protagonist	Total	A1	Style	Metro
Person	32%	28%	33%	36%
Institution	17	21	12	16
None	51	51	55	48

Totals may not equal 100 due to rounding.

If newspapers were not building articles around personalities, were they doing so around institutions, such as the Bush administration, city hall, Enron or Wall Street? Not really. Even fewer articles, 17 percent, were built around institutions.

Instead, articles tended to focus on several people talking about events and ideas – not pegging them around institutions or people.

Not even President Bush was the center of newspaper articles studied, something that was also found in other media. While a third of the articles were built around a primary protagonist, President Bush was this personality in less than 1 percent, or 54 of the 5,867 studied. If one looks only at A1 front pages, the number rises to only 2 percent.

When it came to articles about the war in Iraq, the Bush administration, rather than the president, was more likely to be the focus. In all, 12 percent of articles about Iraq focused on the administration or other federal entities, such as the Pentagon, compared with just 2 percent that focused on President Bush.

How celebrity-driven were newspapers compared with other media? Overall, 4 percent of newspaper articles studied focused around a celebrity – primarily on the style section-front. This compares with 19 percent for magazine articles.

Newspapers By Size

How much difference does circulation size make in the character of what people get from newspapers? Do the very largest papers in the country – those with circulations above 750,000 – cover the same topics in roughly the same way as slightly smaller metropolitan newspapers or even medium-sized papers? (Comparisons below look at the two mid-range groups combined.)

In general:

- The news becomes more and more local and less international as circulation size decreases.
- Wire copy becomes more prevalent as the paper gets smaller.
- Articles become shorter at smaller papers.
- Anonymous sourcing becomes less common as circulation size decreases.

At the largest papers, those with more than 750,000 circulation, just 40 percent of the space studied was devoted to local articles (remember one section front is metro). This increases to 69 percent at midrange papers, 100,000 to 750,000 (the two-mid circulation groups combined), and then 75 percent at the smallest papers (less than 100,000).

The reverse occurs with national coverage. Large papers devoted 25 percent of the space studied to national articles. Midsized papers devoted 14 percent and small papers 12 percent.

And, if one relies on a smaller local paper, those with less than 100,000 circulation, how much international news would they get on the three section fronts? Just 9 percent of the space examined, versus 22 percent at the largest papers and 13 percent at the papers in between.

The length of articles shifts with newspaper size as well. Larger papers, not surprisingly, run longer articles on their section fronts. At the very largest general circulation papers in the country – The Los Angeles Times, The New York Times, USA Today and The Washington Post – the majority of articles, 64 percent, were more than 1,000 words. It was closer to a quarter of all articles at the midsized papers, and just more than one in ten articles at the smallest circulation papers.

Story Length by Circulation Category
Percent of All Stories

Story Length	Large	Mid	Small
1,000 or Less	37%	71%	87%
More than 1,000	64	29	13

Totals may not equal 100 due to rounding.

Looked at another way, the average article length at the largest papers was about 1,200 words. The average was just more than 800 words at midsize papers and fell to less than 600 words at the smallest papers.

Traditionally, smaller newspapers have relied on wire services such as The Associated Press and Reuters and so-called supplemental services, such as The New York Times News Service, for much of their national and international coverage. They simply lack the resources to keep reporters in Washington or in other parts of the world. This study confirms that this is still true. Almost 40 percent of A1 articles were from wire services at the smallest papers, 31 percent at papers with circulations of 100,000 to 700,000, and less than 1 percent at papers with circulations more than 750,000.

Papers of different sizes also differed in how they sourced articles. The biggest papers were much more likely to use anonymous sources, especially in their own staff-written articles.

Almost half of all articles in the biggest papers contained some kind of anonymous sourcing, though most of the time the paper did attempt to describe the sources, their potential biases or why they were credible.

The level of anonymity declined with circulation size. At the midsized papers, only a quarter of articles contained anonymous sourcing.

At the smallest papers, confidentiality was even more limited. Just 18 percent, for instance, contained confidential sources with some attempt at describing them and 3 percent of articles contained fully blind anonymous sourcing without any description of the source or why it was credible.

Wire copy was more likely to contain anonymous sourcing than was staff-written copy. Fully 42 percent of wire articles versus 27 percent of staff-written articles contained anonymous sourcing (with some attempt to describe the source).

Why, then, don't smaller papers, with heavier reliance on wires, have more anonymous sourcing than larger ones?

The answer appears to be that in their original work smaller papers are much less likely to offer sources anonymity than are larger papers. Indeed, staff-written copy at the smallest papers studied was a third as likely to contain anonymous sourcing than staff-written copy at the biggest papers. Overall, 15 percent of staff-written articles at small papers contained anonymous sources (with some description) versus 46 percent at the largest papers.

Articles on Page A1 were more likely to contain anonymous sources than those on metro or lifestyle. At the biggest papers, the majority of A1 articles contained anonymous sourcing (63 percent with some description attempt to describe the source and 5 percent contained totally blind anonymous sourcing). At the smallest papers, it was less (37 percent with some description, and 8 percent totally blind).

See end of document for content analysis methodology.

Footnotes

1. All Page One stories from the Rockford (Illinois) Register were removed from the newspaper database before analysis. This was dictated by the unique front-page format of the Register, which differed from all other newspapers in this study. No complete stories are found on Page A1 of the Register; rather, abridged stories are presented, referring the reader to the full account, found on other pages throughout that day's edition. Stories published on the lead pages of the Metro/Local and the Style/Living sections of the Register are included in this analysis. For the New York Times, the following daily selections were made re: applicable "soft news" section: Monday, Tuesday – Arts & Culture; Wednesday – Dining In; Thursday – House and Home; Friday – Escapes; Saturday – Arts & Ideas; Sunday – Styles.
2. The comparable papers are the four papers in our largest circulation category, those with more than 750,000 copies sold daily. Since the early studies looked at number of articles, the comparison here is by articles rather than by inches as is done below. In the 2003 data, the percentage breakdowns of articles and inches are nearly identical.
3. The analysis now is by words for print and seconds for broadcast. Again there was vast similarity in the two ways of examining the data — volume and story.

Audience

Audience

Newspaper circulation is in decline.

The root problems go back to the late 1940s, when the percentage of Americans reading newspapers began to drop. But for years the U.S. population was growing so much that circulation kept rising and then, after 1970, remained stable.

That changed in 1990 when circulation began to decline in absolute numbers.

And the problem now appears to be more than fewer people developing the newspaper habit. People who used to read every day now read less often. Some people who used to read a newspaper have stopped altogether.

Today, just more than half of Americans (54 percent) read a newspaper during the week, somewhat more (62 percent) on Sundays, and the number is continuing to drop. ¹

Overall, some 55 million newspapers are sold each day, 59 million on Sunday.

At the same time, the number of newspapers in the country has been on a steady decline for even longer, dropping nearly 1 percent a year for now two decades to 1,457 in 2002. ²

Where are readers going? It is impossible to say fully. Some people may be getting news online, some perhaps from cable television. Some may be opting out of traditional news sources. Others may be sharing copies of a paper among multiple readers. Many people now read newspapers only occasionally, a couple days a week, but no longer everyday. Much of the loss came from people no longer reading afternoon papers. Whatever it is, these people are not paying everyday for the journalism produced by newspapers, even if they are reading it in other outlets such as online.

Some newspaper companies are now de-emphasizing paid circulation and pushing total readership as more meaningful. Readership helps capture multiple readers in a single household or people reading a copy in public settings like a coffee shop or waiting room. And readership studies can provide advertisers with more detailed information about who reads, what they read and how much time they spend with a newspaper. But the emphasis on readership is also a sign that the circulation story is not a good one.

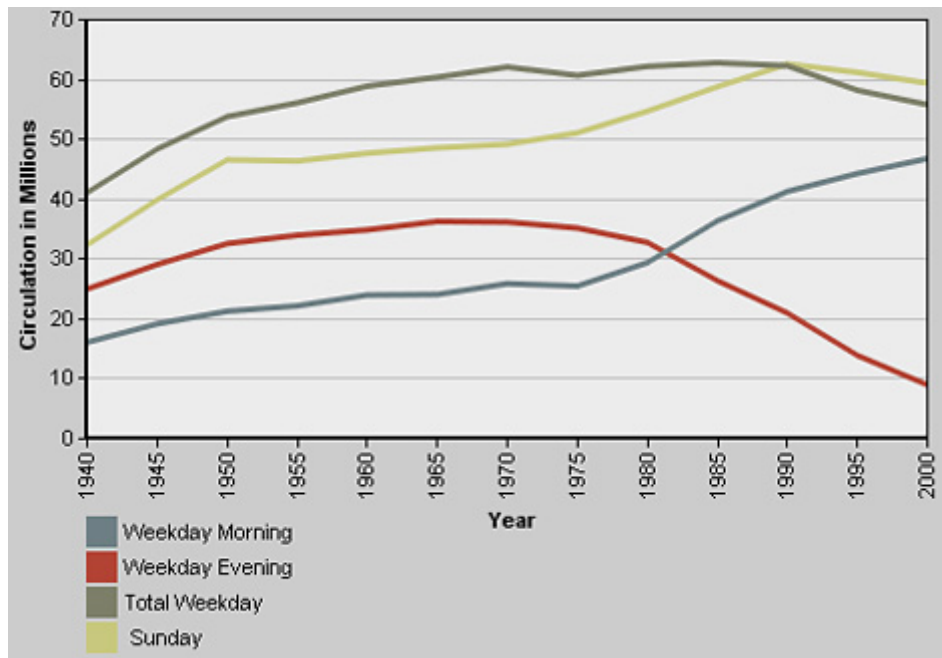
Daily Circulation

In some ways, it is remarkable how long newspaper circulation remained so stable. From World War II until 1970, as the United States saw tremendous economic growth, a rising and changing population, a move to suburbia, and the advent of television, the number of newspapers sold each day in the United States was still growing.

During this time, a smaller percentage of Americans read a newspaper every day – especially after the evolution of TV news in the 1960s. The erosion, however, was outpaced by population growth – a nearly 50 percent increase in the number of U.S. households between 1970 and 1990. ³ By 1970, indeed, newspaper reading in the United States had reached a new peak. Some 62 million newspapers were sold in the country every day. ⁴

U.S. Daily Newspaper Circulation

Weekday and Sunday editions, measured in five-year increments, 1940 to 2000



Design Your Own Chart

Source: Editor and Publisher Yearbook data

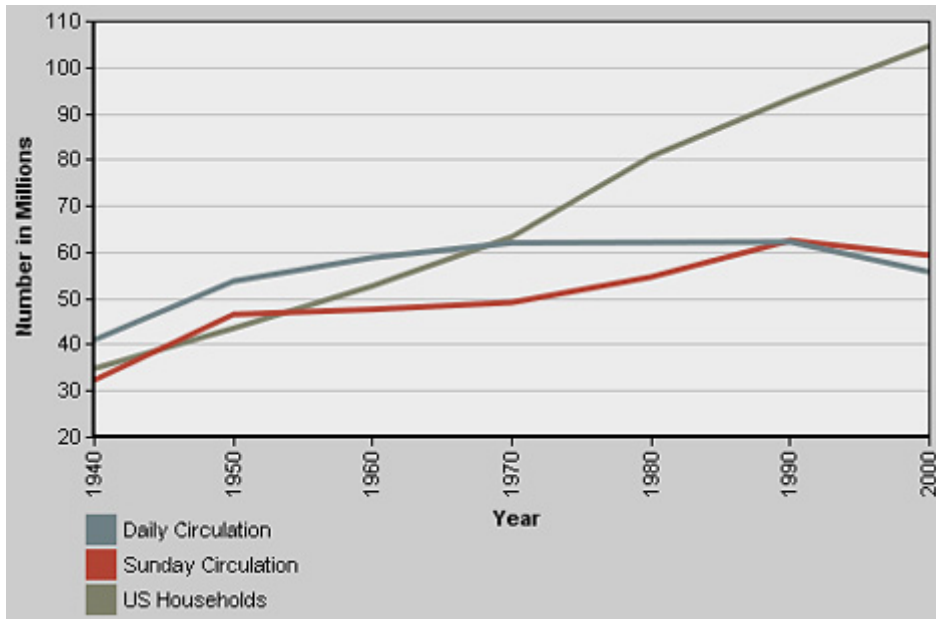
By 1990, however, even the boost from a growing population was not enough to maintain how many newspapers were sold each day. Circulation began dropping at the rate of 1 percent every year from 1990 to 2002. By 2002, weekday circulation of U.S. newspapers had dropped 11 percent in 12 years.⁵

The real rate of circulation decline could be even greater. The Audit Bureau of Circulations changed the way it counted circulation to include bulk sales of papers to places like airlines and hotels for free distribution. These sales are technically “bought” by the hotel or airline, often through a barter exchange, but can make up a significant part of total circulation. For example, 46 percent of USA Today’s circulation – 987,670 papers – comes from bulk sales.⁶ And the ABC rules have been liberalized in other smaller ways through the years, masking even further the true extent of circulation loss, according to Rick Edmonds at the Poynter Institute who has examined this closely.⁷

The vast majority of circulation loss in the last 30 years has been at afternoon papers, and much of that from papers that ceased publishing. Some other losses in overall circulation since 1990 came from papers purposely trimming delivery to distant outlying communities. Thus some of the loss does not suggest free-fall. Indeed, morning circulation in 2001 was the highest it has ever been – 46.8 million – before declining slightly in 2002 (the first decline in morning circulation since 1975).⁸

To fully appreciate the drop in the newspaper’s popularity, it is also useful to take a closer look at so-called “household penetration” – the number of newspapers sold as a percentage of all households in the country. In one sense, penetration reveals the full extent of newspapers’ declining appeal. In 1950, 123 percent of households bought a newspaper (in other words there were 1.23 papers sold per household.) By 1990, only 67 percent of households bought a newspaper. By 2000, it was 53 percent.⁹

U.S. Daily Newspaper Circulation vs. Number of Households
Number in millions, measured in 10-year increments



Design Your Own Chart

Source: Editor and Publisher Yearbook data; U.S. Census Bureau

In another sense, however, penetration reveals the endurance of newspapers as an advertising medium. While papers were losing audience, their new rivals were more fragmented – multiple television broadcast stations in each town, 40 cable channels and eventually myriad Web sites. Even if the percentage of households buying a newspaper has dropped to almost half, that still makes the lone newspaper in town the most wide-reaching single buy for advertisers. 10

Sunday Circulation

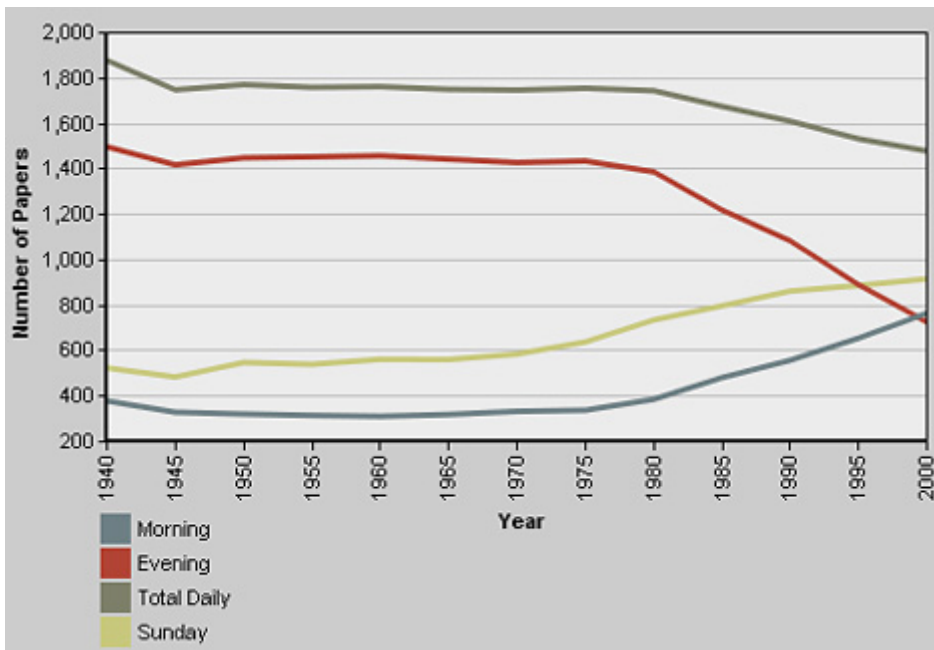
Sunday circulation, for many years, saw a different trend. Newspapers found that many of their readers were tending to read less often, but more on Sundays and a few occasional other days. Advertisers, moreover, wanted to be in the Sunday paper, when people had more time. Sunday papers swelled in size, and thus in appeal, and more papers launched Sunday editions (there were 913 in 2002, up 56 percent from 1970). 11 As a consequence, while daily circulation after World War II was flat, Sunday circulation continued to grow, peaking in 1990^j

Since then, however, Sunday circulation has been dropping too, like weekday, but at a slower pace (0.5 percent annually versus 1 percent for weekdays). By 2002, Sunday circulation was at 58.8 million, down 6 percent since its peak in 1990. 12

Reading Habits

Beyond the numbers, it is also helpful to examine reading habits to understand what was driving people away from newspapers, and why it accelerated after 1990. Part of the explanation, of course, is that lifestyle and technological changes altered the news business. The population shift away from urban to suburban America – and the problems that created for home delivery – helped erode the afternoon paper. The evening paper was a perfect match for the 1950s factory worker who came home at 4 p.m. to a stay-at-home mom and a nuclear family. But factory jobs have steadily given way to other forms of employment. Nuclear families are much less the norm. And, married or not, most moms themselves now work. Morning circulation first surpassed evening in 1982. By 2002, there were nearly five and half morning newspapers sold for each evening newspaper. 1

Number of U.S. Daily Newspapers
 Weekday and Sunday editions, 5-year increments, 1940 to 2000



Design Your Own Chart

Source: Editor and Publisher Yearbook data

But as those shifts were occurring, the newspaper industry also made choices that had important and likely negative consequences on readership and circulation. Newspapers make roughly 80 percent of their revenue from advertising, and only 20 percent from circulation. 15 Indeed, it costs most papers more to print each paper than they actually sell it for, but higher sales allow the papers to charge higher advertising rates. Influenced in part by advertisers who increasingly wanted to focus exclusively on people who were likely to buy a lot of goods, newspaper companies in the 1970s and 1980s decided to chase demographics rather than readers. Around the same time, many newspapers also began embarking on pricing strategies that further made the newspaper even more forbidding to less affluent audiences

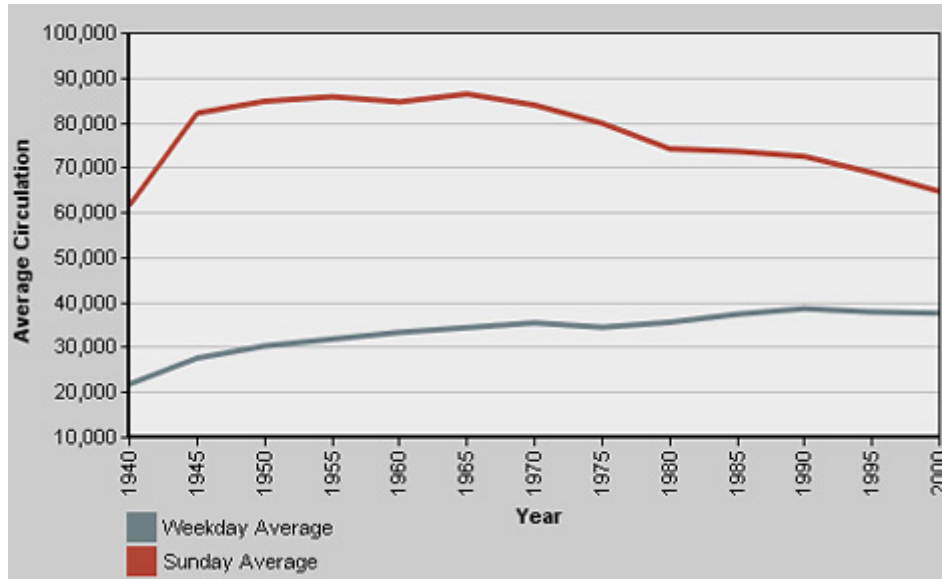
That shift toward elite audiences dictated where the circulation declines occurred. By and large, when the afternoon papers that appealed more to working class readers died, those readers stopped reading newspapers.

People can debate which came first – the disappearance of middle-class audiences or the pricing and coverage strategies that made newspapers even less appealing to those audiences. Whichever, they reinforced each other. In the short run, that may have made economic sense. Why add readers who advertisers are not interested in, when the cost of producing and delivering additional newspapers does not pay for itself without new advertising dollars to underwrite it?

But in the long run, as the circulation numbers suggest, the strategy raises questions. As the children of these lost readers become more affluent and influential, can it be assumed that they will just gravitate to a newspaper no matter what? And how can a publisher grow a business in the long-term if it is not growing its audience?

Average Circulation of U.S. Daily Newspapers

Weekday and Sunday editions, measured in five-year increments, 1940 to 2000



Design Your Own Chart

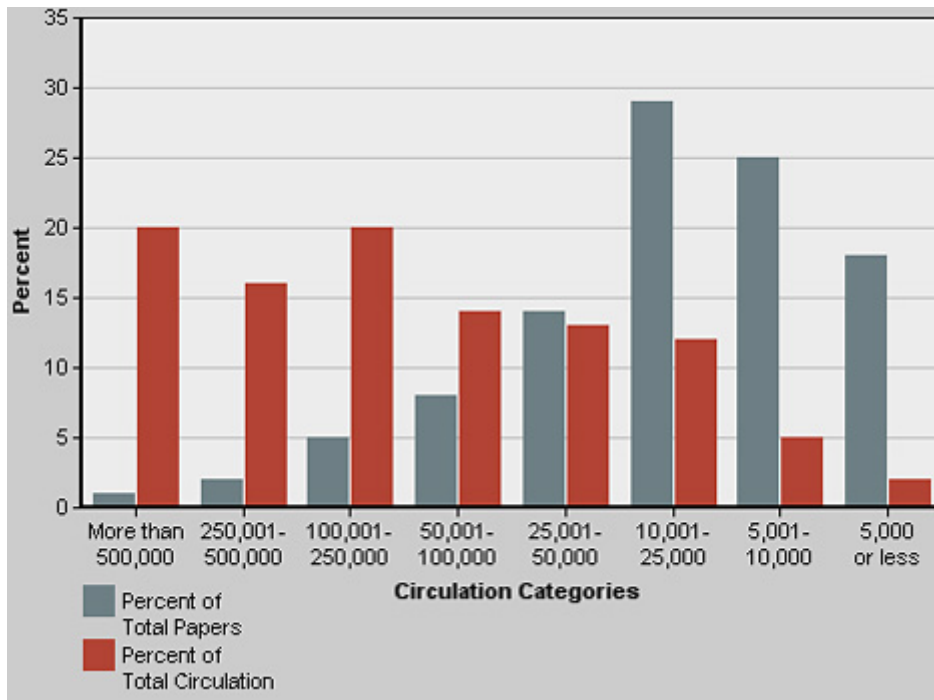
Source: Editor and Publisher Yearbook data

The Rise of National Newspapers

An exception to the 20-year slide in circulation has been national papers. USA Today has gone from a dead start to a circulation of 2.1 million daily. There is no exact measure of its impact on other dailies, but it clearly supplants local papers for conventiongoers and other travelers and represents competition to the other two nationally circulated dailies, The New York Times and The Wall Street Journal. Only 14 percent of USA Today's circulation comes from home delivery. The Wall Street Journal holds its own, going back over the 2 million mark (with the addition in the most recent ABC audit of 300,000 paid subscribers to its online edition). 16 Three-quarters of its circulation is attributed to home delivery and subscription sales spread across the country. Less obviously, The New York Times has gradually shifted from a metropolitan New York paper with some national circulation to having nearly half its circulation outside the New York City area. 17

In addition to a variety of free Internet news sites and the rise of CNN and NPR, the competitive climate for providing a basic national and international news report has grown far tougher for the typical metropolitan or small-city newspaper. Together, the top 7 percent of the nation's newspapers (105 out of 1,457) command 55 percent of the total circulation. 18

Percent of Newspapers and Total Circulation by Circulation Category, 2002



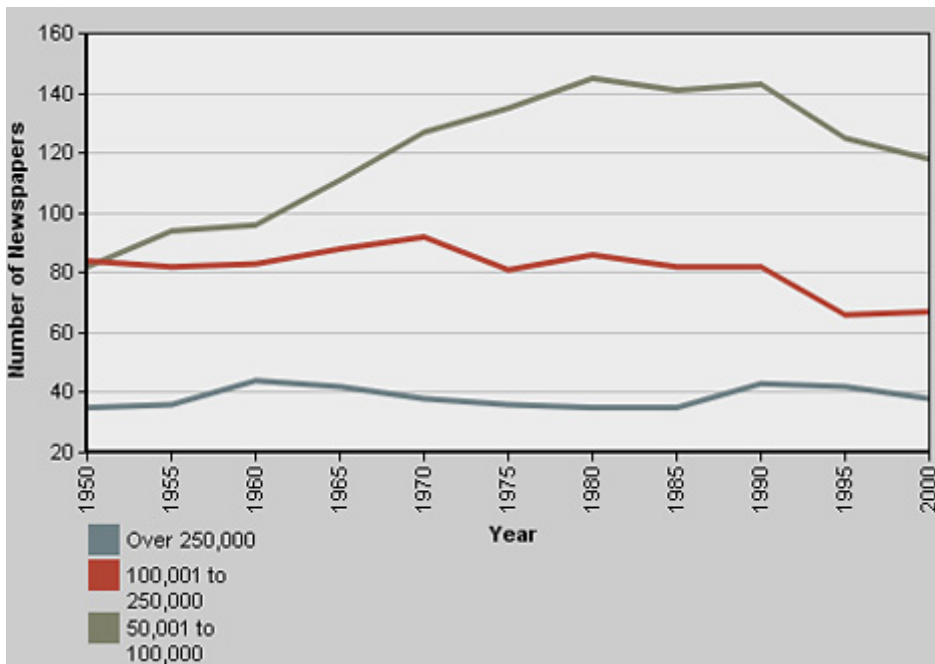
Design Your Own Chart

Source: Editor and Publisher Yearbook 2003

* Due to rounding, percents do not add up to 100.

Number of U.S. Daily Newspapers with Circulation Over 50,000

1950 to 2000, measured in 5-year increments



Design Your Own Chart

Source: Editor and Publisher Yearbook data

Who Is Reading: A Question Of Demographics

In trying to assess circulation and readership trends, there are other elements of demographics that need to be understood beyond income. Three stand out.

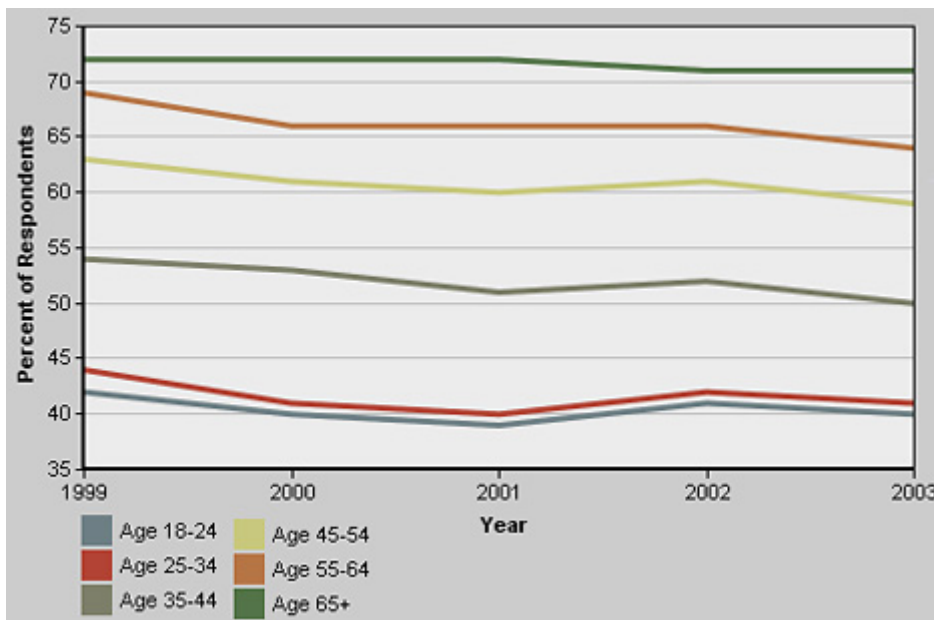
- The problem for the newspaper industry is not just young readers. People of every age bracket – except those over 65 – are starting to read newspapers less.
- The newspaper industry is failing to attract newer immigrant groups. The backbone of the industry remains non-Hispanic whites and African Americans, the two population groups not growing much.
- Papers are losing among people at all educational levels, although that trend may have reversed somewhat since September 11.

Age Groups

As always, young people appear to read newspapers less than their elders. According to 2003 data from Scarborough Research, a consumer market company, only 40 percent of people aged 18 to 24 read a paper on weekdays, and less than half on Sundays (48 percent). The numbers are slightly higher for people 25-34 (41 percent weekdays and 52 percent Sundays).¹⁹

Weekday Newspaper Readership by Age Group

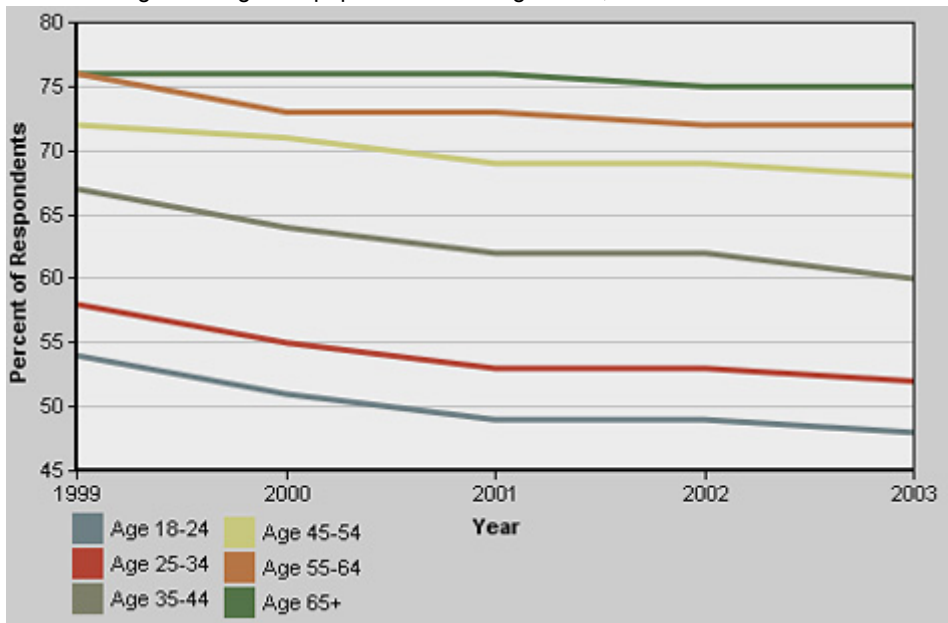
Percentage reading newspapers in an average week, 1999-2003



Design Your Own Chart

Source: Scarborough Research unpublished survey data

Sunday Newspaper Readership by Age Group
 Percentage reading newspapers in an average week, 1999-2003



Design Your Own Chart

Source: Scarborough Research unpublished survey data

The more important trend today may be what is happening to readers between the ages of 34 and 64, the people who should be the prime target for becoming citizens engaged in civil society. These are the people buying houses, having children, worrying about schools, building their careers, running for office, becoming leaders in their communities. Their numbers are declining as well, and in some cases at a faster rate than for people under 34.

These findings are borne out by new studies by the Pew Research Center for the People and the Press. While its earlier studies of what it called the “Age of Indifference” suggested that young people were not acquiring the news consumption habits at the same rate in their 20s as was true of earlier generations, the newest survey on news consumption, in 2002, found evidence that developing the habit was no longer the lone issue. People who had become newspaper consumers had stopped. 20

The bright spot for newspapers remains, as it has for some years, older people. Readership for people over 65 is just barely declining – 1 percent since 1999 for both daily and Sunday. One question is whether Baby Boomers, who will begin to turn 65 in 2011, will read newspapers as heavily as people that age do now. If so, that could be a boon to newspapers. If not, more trouble looms.

This is one reason why current experiments by papers like The Washington Post and The Chicago Tribune to produce free papers aimed at young adults (18-to-34-year-olds) are being so closely watched.

To many in the newspaper industry, the fact that newspapers began only recently to experiment with such papers reflects the industry’s slowness to innovate and to invest in research and development generally. These kinds of enterprises are typically defensive moves to protect the franchise. They are most often initiated out of fear that a portion of the market is slipping away or has never developed the newspaper reading habit. Free papers first appeared as alternative papers many years ago and were considered competition for entertainment advertising but were never thought to be a serious competitor or an idea that the metro papers should try.

Such thinking is explained, in part, by the old newspaper business model for doing something new: return on investment. There had to be projected revenue to offset costs of a new venture in a relatively short term. Newspapers were not likely to favor such investments solely for their long-term value without a clear prospect for a new revenue stream. Indeed, even some of these experiments are projected to generate revenue and are being conducted at limited cost.

Ethnicity and Readership

The second major area of concern for the newspaper industry may be ethnicity. The newspaper industry was built, more than a century ago, by populist publishers such as Joseph Pulitzer and E.W. Scripps on the appeal of newspapers to the masses, particularly immigrants. Often these publishers themselves were immigrants, as in the case of Pulitzer, Scripps, Adolph Ochs and others.

The industry, now run by corporations rather than (often immigrant) entrepreneurs, has moved in a very different direction (see Reading Habits, above). At the beginning of the 21st century, readership is lowest among the country's two fastest-growing minority populations – Asians and Hispanics. The industry is seeking to address this now. For instance, this year newspapers in Dallas and Fort Worth joined the paper in Miami in offering Spanish-language editions. The Los Angeles Times is launching a Spanish-language edition in Southern California to compete with its former partner, the family-owned La Opinion, which in turn joined forces with a New York Spanish-language daily, El Diario/La Prensa, so that they could compete with the major newspaper chains for major advertisers. This battleground is a trend to monitor.

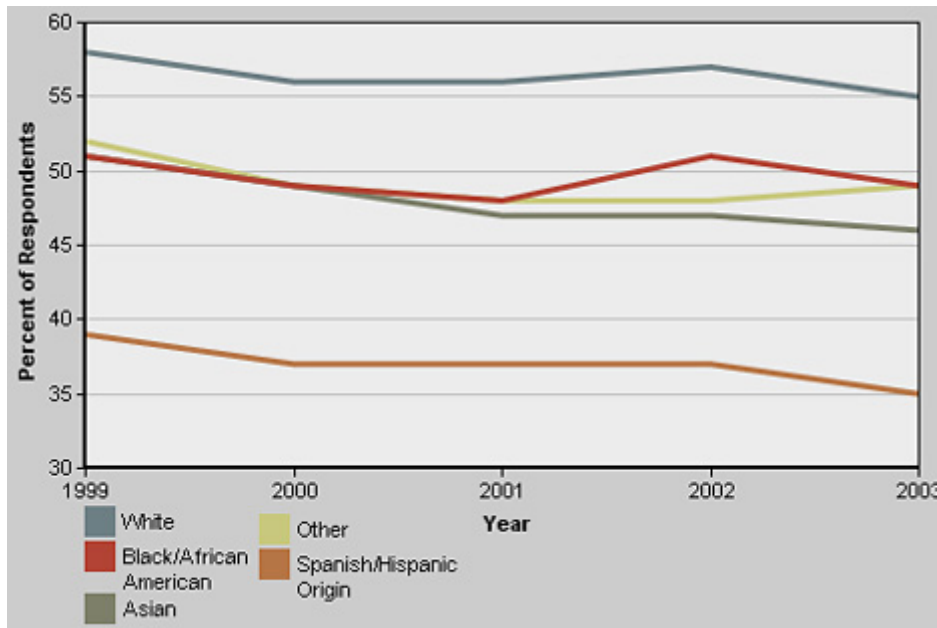
Among Asians, weekday readership in 2003 had dropped 5 percentage points in the four years since 1999 (to just 46 percent). That is a faster rate of decline than for whites (down 3 percentage points in that time) or African Americans (down 2 percentage points). 21

Among the fastest-growing group in America, those who describe themselves as Latino or Hispanic, there has been a 4-point drop, again higher than for whites or African Americans. This group, indeed, has the lowest weekday readership rates of the four groups (just 35 percent, down from 39 percent four years earlier). The same rapid declines are true on Sunday. 22

Data on the Spanish language presses (see ethnic and alternative news chapter) suggest that these immigrants are reading newspapers, but they are choosing Spanish-language papers over those in English.

Weekday Newspaper Readership by Race-Ethnicity

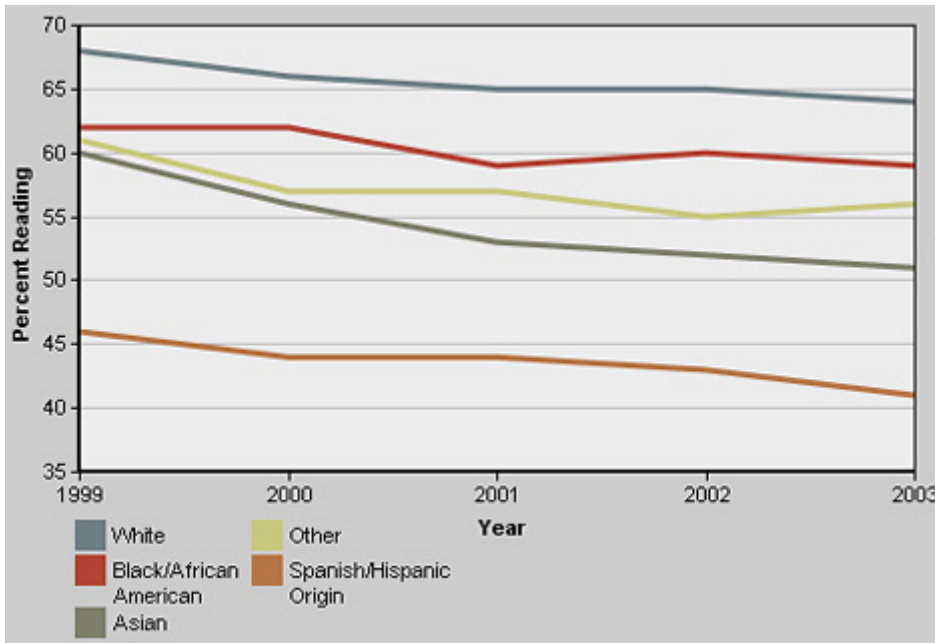
Percentage reading newspapers in an average week, 1999-2003



Design Your Own Chart

Source: Scarborough Research unpublished survey data

Sunday Newspaper Readership by Race-Ethnicity
Percentage reading newspapers in an average week, 1999-2003



Design Your Own Chart

Source: Scarborough Research unpublished survey data

Education

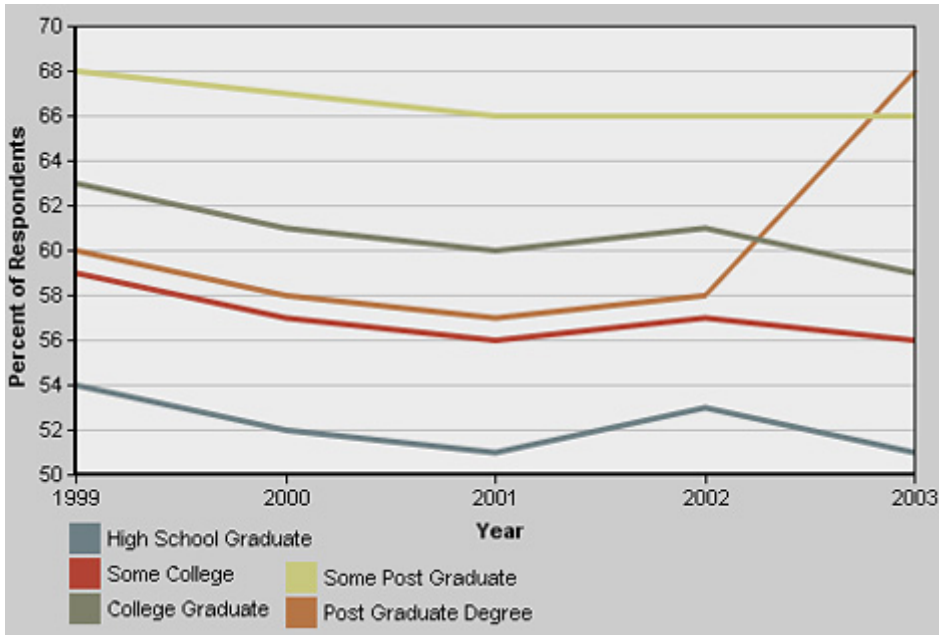
While people with more education remain more likely to read a newspaper, declines in readership have been occurring regardless of education level.

Indeed, in the last four years, according to Scarborough, readership has actually fallen somewhat faster among those with four-year college degrees than among those with only high school diplomas.

Among college graduates, the group most likely to report reading the paper, readership has fallen 4 percentage points in the last four years on weekdays (from 63 to 59 percent) and 7 points on Sundays (from 76 to 69 percent). Among high school graduates, the decline was 3 percentage points on weekdays and 4 on Sundays (54 to 51 percent and 64 to 60 percent, respectively).

Readers with post-graduate degrees, however, reverse the trend. From 1999 to 2002 their readership was declining along with the other ages. But in 2003, their daily readership shot up 10 percentage points from one year earlier to 68 percent.

Weekday Newspaper Readership by Education
 Percentage reading newspapers in an average week, 1999-2003

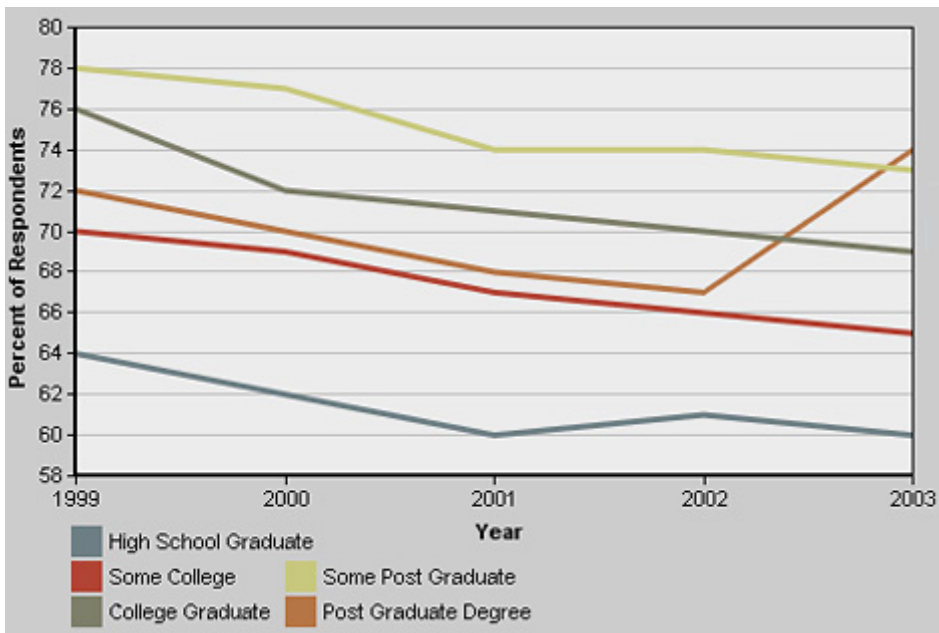


Design Your Own Chart

Source: Scarborough Research unpublished survey data

Sunday Newspaper Readership by Education

Percentage reading newspapers in an average week, 1999-2003

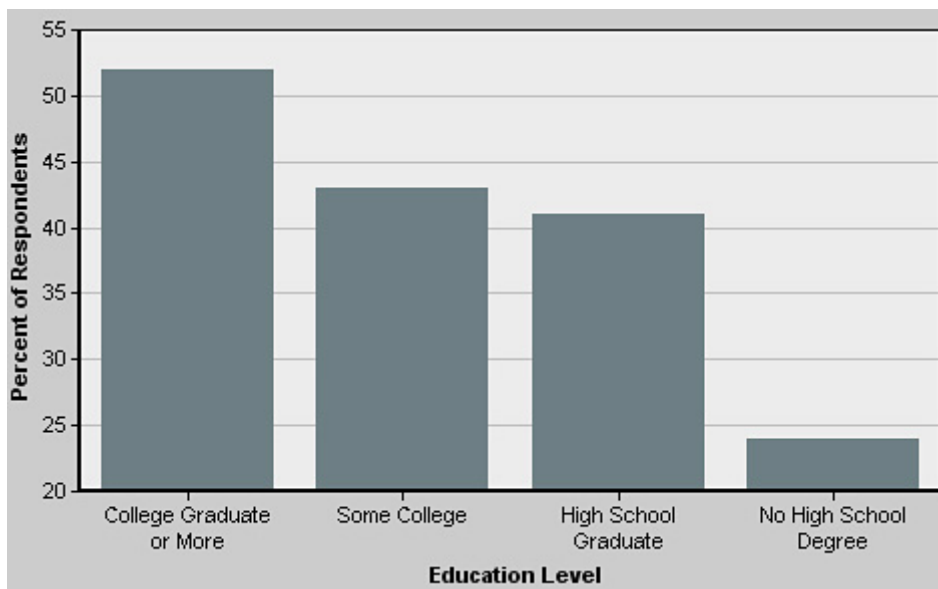


Design Your Own Chart

Source: Scarborough Research unpublished survey data

Education does correlate to readership. The most recent survey data from the Pew Research Center, for instance, found that 52 percent of college graduates reported reading a newspaper “yesterday,” compared with 41 percent of high school graduates and 24 percent of people without a high school degree. 23

Percent of People Reading a Newspaper the Day Before
By education, June 2002



Design Your Own Chart

Source: Pew Research Center for the People and the Press

Footnotes

1. Different surveys come up with slightly different numbers for how often people read newspapers. The broadest measure, which the Pew Research Center for the People and the Press has used, asks if a person reads a newspaper “regularly” without specifying weekday or Sunday and found 63% in 2002. Pew also has a survey question it has used for several years that asks if people read a newspaper “yesterday” and found in 2002 41%. Scarborough Research asks whether people read a newspaper “in an average week” and finds the numbers we used above. As this number comes closest to household penetration and sits between the two other ways of asking the question, it seems the safest number to use.

2. Editor and Publisher Yearbook Online data, 1940-2003, www.editorandpublisher.com

3. U.S. Census Bureau

4. Editor and Publisher Yearbook Online data, 1940-2003, www.editorandpublisher.com

5. Editor and Publisher Yearbook Online data, 2003, www.editorandpublisher.com. These are the most complete data because Editor and Publisher collects circulation data from both ABC and directly from non-ABC newspapers. Data for 2003 were not available at the time of this report.

6. Audit Bureau of Circulations, Newspaper Publisher’s Statement, March 30, 2003, www.accessabc.com. In bulk sales, we included all papers listed outside of individually paid circulation, which includes hotel sales, educational copies and third party sales to such business as airlines and restaurants.

7. In 2003, Edmonds notes, ABC made it easier to count third-party sales – that is in combination with a magazine or other entity – and let papers report certain paid electronic edition circulation.

8. Editor and Publisher Yearbook Online data, 1940-2003, www.editorandpublisher.com

9. Editor and Publisher Yearbook Online data, 1940-2003, www.editorandpublisher.com; U.S. Census

10. The work of the scholar Robert Picard, professor at Finland’s Turku School of Economics and Business Administration, finds this the central explanation for the long-term trend of thriving newspaper advertising in a flat or declining circulation environment. Lauren Rich Fine, a Merrill Lynch analyst, says in her 2003 annual Newspaper Primer that some share of advertisers simply want to buy the newspaper in a given market and hence may be indifferent to small changes – up or down – in circulation.

11. Editor and Publisher Yearbook Online data, 1940-2003, www.editorandpublisher.com

12. Sunday circulation surpassed daily in 1990, and in 2002 was still 7 percent larger, some 3.6 million more papers sold, than weekday circulation.

13. Editor and Publisher Yearbook Online data, 1940-2003, www.editorandpublisher.com

14. In terms of the number of newspapers, it was not until 2000 that morning newspapers pulled ahead (766 to 727). But only two years later the gap had widened to 777 versus 692.

15. Veronis Suhler Stevenson, "Communications Industry Forecast," July 2002, p. 302. Data from 2001.

16. Mark Glaser, "Journal Takes Broader View of Circulation with Online Inclusion," Online Journalism Review, November 11, 2003. Available online at www.ojr.org/ojr/glaser/1068601595.php.

17. Audit Bureau of Circulations, "Newspaper Publisher's Statements," March 30, 2003, www.accessabc.com

18. Editor and Publisher Yearbook Online data, 2003, www.editorandpublisher.com

19. Scarborough Research, unpublished data, www.scarborough.com. Each year, each year Scarborough surveys a random sample of more than 200,000 adults 18 and over using a combination of a telephone interview and a mailed survey. These surveys occur in the top 75 designated market areas (DMAs). The data are weighted to create an accurate portrayal of the surveyed DMAs, which accounted for 75 percent (84,675,100) of all U.S. households in 2003, according to Nielsen Media. They found 62 percent reading the Sunday paper in an average week. The Pew Research Center for the People and the Press asks more generally if a person "reads a newspaper regularly" and reports 63 percent responding yes for April 2002 in the report "Public's News Habits Little Changed By Sept. 11," June 9, 2002, p. 57. When they ask about reading a paper yesterday, the number falls to 41 percent (p. 34).

20. Pew Research Center for the People and the Press, "Public's News Habits Little Changed By Sept. 11," June 9, 2002, p.3

21. Scarborough Research, unpublished data, www.scarborough.com

22. Scarborough Research, unpublished data, www.scarborough.com

23. Pew Research Center for the People and the Press, "Public's News Habits Little Changed By Sept. 11," June 9, 2002, p.34

Economics

Economics

Amid all the challenges, the good news for newspapers is financial, at least for now.

While declines in circulation and in the number of newspapers became a fact of life in the 1990s, the industry remained economically robust. In 2002, newspapers had advertising revenues of just over \$44 billion. In the first 6 months of 2003, advertising revenue was just a little less than \$21 billion. ¹

The industry is also enormously profitable. According to Morton Research, a market analysis firm, in the first half of 2003, the 13 major publicly traded newspaper companies earned an average pretax profit margin of 19 percent.

While such margins are high compared to some industries (such as retail or automobiles), in fact they are lower than some others (such as software). That sort of comparison, however, may miss the point. Such profit margins are what Wall Street has come to expect of any public newspaper company, and what lenders and many owners expect of any privately held newspaper company as well.

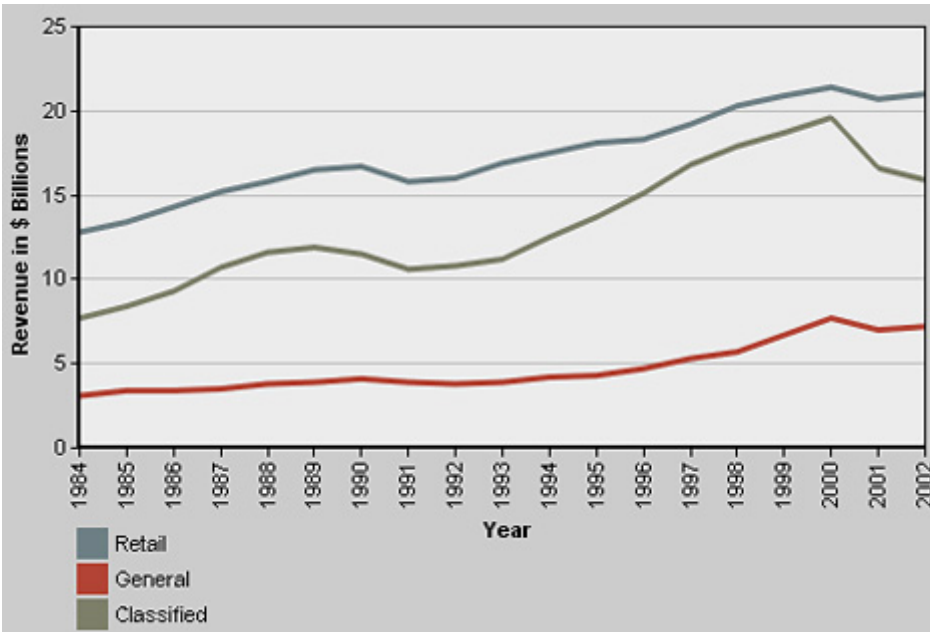
One reason for this financial stability is that, in an age of fragmentation and information clutter, newspapers, despite declining circulation, still amass large audiences. And these audiences are people, often affluent, who spend a good deal of time with the product, especially on Sundays.

As a result, while circulation in the 1990s was declining, advertising dollars continued to grow, and at a rate that outpaced inflation. While total advertising income hit a steep decline in 2001, a slow recovery began in 2002 and the beginning of 2003, although revenue from classified ads – primarily employment classifieds – still lags behind the levels of 2000. ²

Earnings improved in 2002 but only because of continued cost controls, generally, and a 22 percent decline in newsprint prices. Newsprint prices headed back up during 2003 and presumably will keep going if display advertising volume and the size of newspapers increase with a strong 2004 economic recovery. ³

Daily Newspaper Advertising Revenue

1984 to 2002



Design Your Own Chart

Source: Newspaper Association of America data

* The 2002 figure is an estimate.

Part of the pressure on classified comes from new online competition from nonjournalistic ventures like Monster.com. In 1998, a consortium of newspapers started Classified Ventures in an effort to compete head-to-head with the new online

startups for key classified ads. In 2003, Classified Ventures investors included Belo, Gannett, Knight Ridder, McClatchy, The Tribune Company and the Washington Post Company. The group runs Cars.com and Apartments.com, and connects 170 online newspaper and television Web sites. 4

While it has been successful with these sites, it has not always been able to best the new companies. Classified Ventures' auctions.com, launched in 1999, failed to rival the online giant eBay and is now defunct. The Tribune Company, Knight Ridder and Gannett have sought to address the decline in employment advertising with their own employment online site, CareerBuilder.com, and have gained substantial ground on industry leader, Monster.com.

Still, since late 2000, newspaper recruitment classified dropped from 19 percent of total industry revenue to less than 8 percent in 2003, according to research from Goldman Sachs. One market analyst, Peter M. Zollman, founder of Classified Intelligence, an online classified consulting firm, predicts that newspapers' share of online classified will decline for "a long time." Even with the moves that some of the big newspapers have made, he contends, many papers responded too slowly to employers' needs. 5

The problem is compounded by a loss in the 1980s of department and grocery store retail ads, which had once been the two biggest sources of retail advertising. As these stores died out or consolidated, the discount retailers that sprang up to replace them, like Wal-Mart and Best Buy, bought little or no newspaper advertising. While this has been going on for decades, it is another long-term pressure on the industry. 6

In the long run, newspapers may have to prove themselves as a medium that can build new audience by offering something that the rivals from online and elsewhere do not. They need to cover aspects of the community, offer a depth of information, and provide a level of synthesis other media do not.

Print, uniquely, has the potential to tell people what they can trust and not trust in an age that the journalist and educator Michael Janeway has called one of "fact promiscuity, fact chaos." 7 Or what Vartan Gregorian, the president of the Carnegie Corporation, has called a time when information is in oversupply but knowledge in undersupply. 8

Accomplishing this may depend on the willingness and ability of newspapers to sustain their quality and diversify their content to win back disappearing readers.

Footnotes

1. Newspaper Association of America, "Quarterly Newspaper Advertising Expenditures," <http://www.naa.org/UtilArtPage.cfm?AID=1399&TID=378>

2. Newspaper Association of America, "Quarterly Newspaper Advertising Expenditures," <http://www.naa.org/UtilArtPage.cfm?AID=1399&TID=378>

3. Lauren Rich Fine, Newspaper Industry Primer, 7th Edition. Merrill Lynch, July 9, 2003. p.10

4. Classified Ventures web site: http://www.classifiedventures.com/business/who_we_are.htm

5. Lucia Moses, "Help Wanted," Editor and Publisher online, December 8, 2003, www.editorandpublisher.org

6. Leo Bogart makes the point that the industry has been resilient in finding new types of advertising – such as cell phone plans – to cover the loss of these two giant categories. Leo Bogart, "Newspapers. Figure out how to give readers a choice and take your eye off the quarterly earnings report," Media Studies Journal, Spring/Summer 1999, p. 60-68.

7. Meeting at Columbia University to discuss journalism curriculum at which author was in attendance, November 14, 2003.

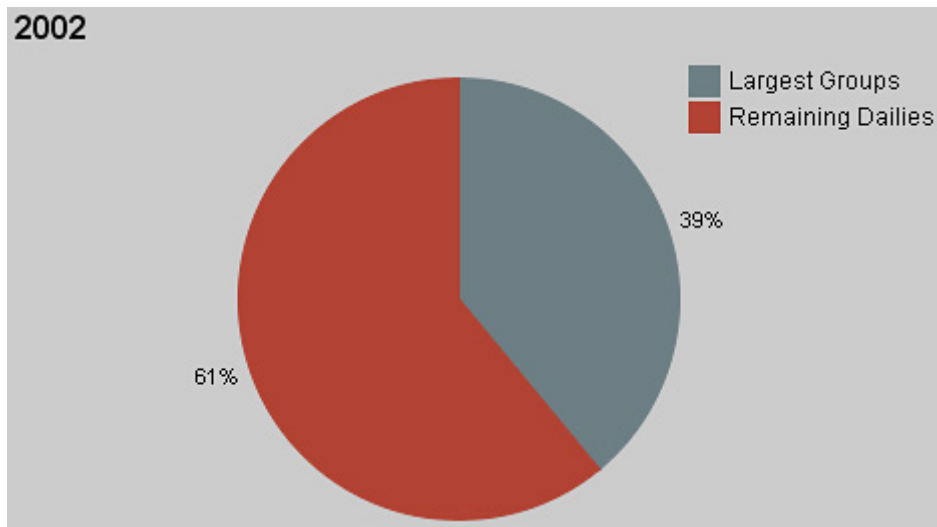
8. Gregorian has made this point many times, but specifically did so at a meeting of Columbia University Task Force to re-examine journalism education, Winter 2002 with the author in attendance.

Ownership

Ownership

Hundreds of owners run the nation's 1,457 newspapers, but about two dozen companies dominate.

Percent of Daily Newspapers Owned by Largest Newspaper Groups

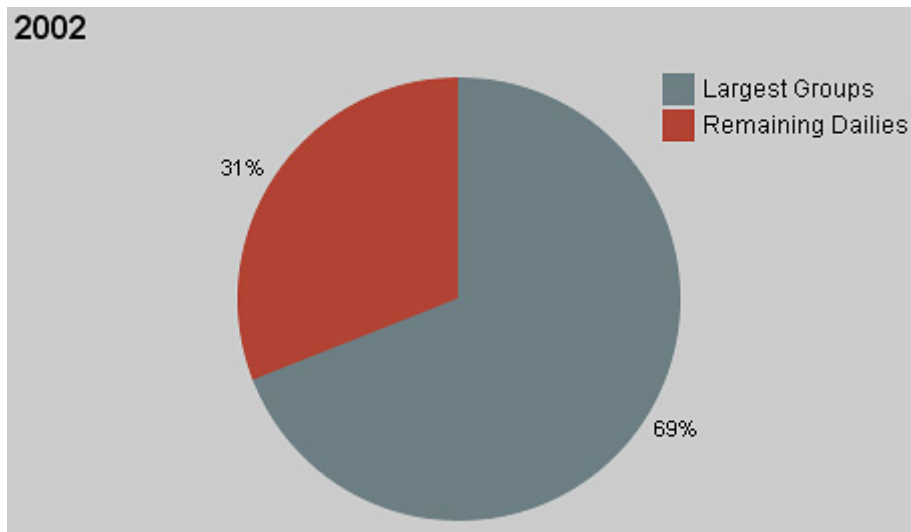


Design Your Own Chart

Source: Editor and Publisher Yearbook; PEJ research

* The largest groups include the 22 newspaper groups with a combined daily circulation of over 500,000.

Percent of Daily Circulation Belonging to Largest Newspaper Groups

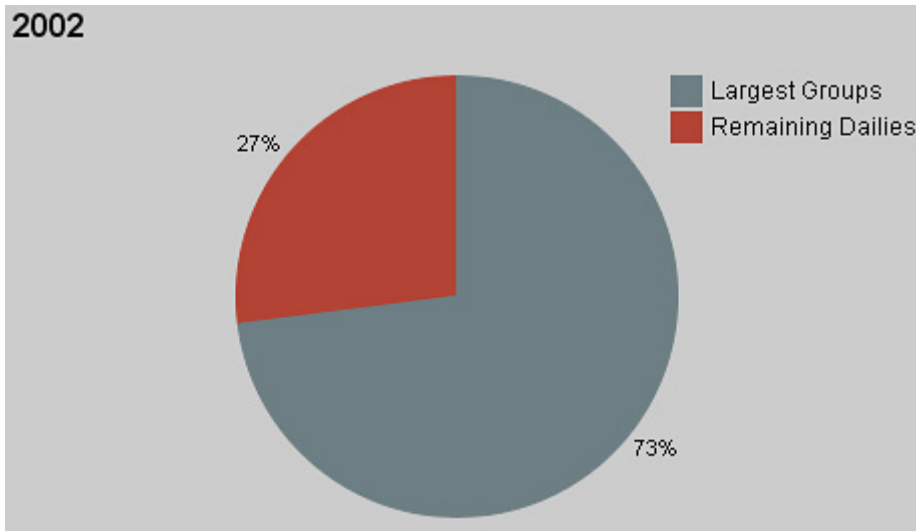


Design Your Own Chart

Source: Editor and Publisher Yearbook; PEJ research

* The largest groups include the 22 newspaper groups with a combined daily circulation of over 500,000.

Percent of Sunday Circulation Belonging to Largest Newspaper Groups



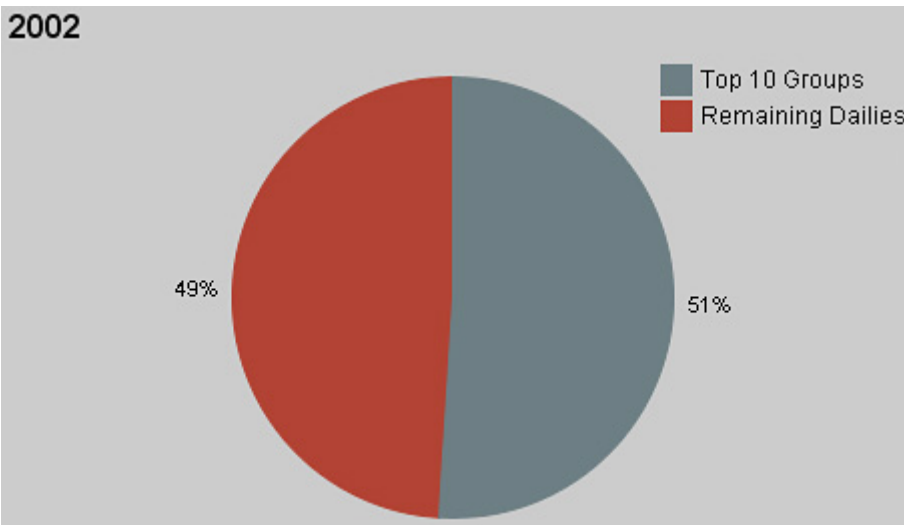
Design Your Own Chart

Source: Editor and Publisher Yearbook; PEJ research

* The largest groups include the 22 newspaper groups with a combined daily circulation of over 500,000.

In order to get an accurate view of the major newspaper groups' influence, consider a few numbers: In 2002, the 22 largest newspaper chains owned 39 percent of all the newspapers in the country (562 papers). Yet those papers represent 70 percent of daily circulation and 73 percent of Sunday. And their influence appears to be growing. These circulation percentages are a full percentage point higher than in 2001, even though the number of newspapers owned by these groups dropped slightly. 1

Top Ten Groups' Percent of Total Weekday Circulation

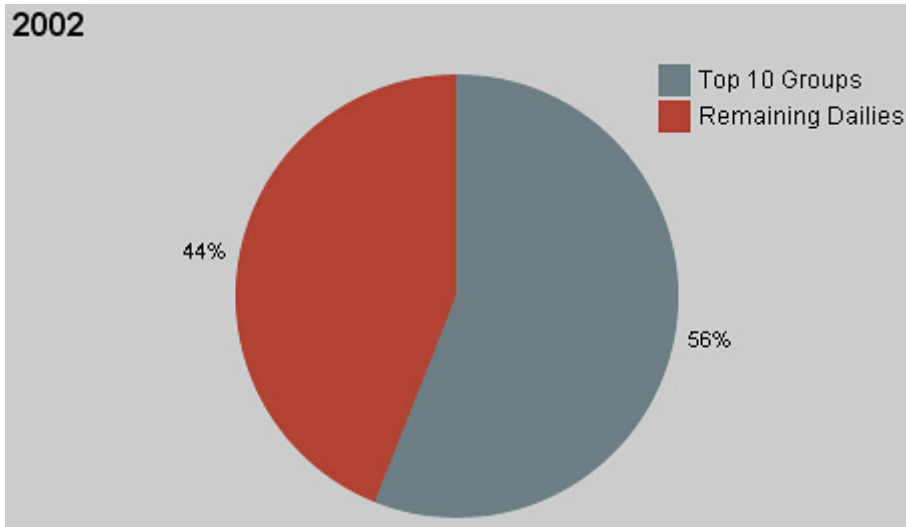


Design Your Own Chart

Source: Editor and Publisher Yearbook; PEJ research

* The top ten groups are by combined weekday circulation.

Top Ten Groups' Percent of Total Sunday Circulation



Design Your Own Chart

Source: Editor and Publisher Yearbook; PEJ research

* The top ten groups are by combined weekday circulation.

The circulation power is even greater for the biggest of these companies. The top 10 chains account for more than half of all circulation in the United States – 51 percent daily and 56 percent Sunday. 2

The power is also seen in the economics. Overall, the newspaper industry in 2002 took in more than \$55 billion in total revenue. 3 Yet the 14 biggest companies took in about 40 percent of that, or nearly \$22 billion in total revenue. 4

Publicly Owned Companies

Four of the large chains stand out due to their size: Gannett, The Tribune Company, The New York Times Company and Knight Ridder. Not only are these companies much larger than their other public company counterparts, but they also enjoy a greater profit margin (23 percent). 5 Meanwhile, some of the smaller chains were able to realize large profit margins, but saw stagnant revenues. For these companies, profits do not necessarily mean growth.

Gannett

Gannett is the largest of the four big chains, with annual newspaper revenue approaching \$6 billion. Gannett was also the only of the four chains to see revenue growth in both 2001 and 2002, even with a drop in income. Gannett manages its news operations very tightly, and sharply cut back at some of its newspapers, such as the highly regarded Des Moines Register and The Courier Journal in Louisville. Since 1991, the company has increased its revenues by 54 percent in inflation-adjusted dollars (including new acquisitions). Since 1992, Gannett has maintained an average profit margin of 25 percent, including a 25 percent margin in 2001 when total advertising dropped 9 percent in the industry. 6

Tribune

The Tribune Company is the second-largest newspaper company in terms of revenue due to its acquisition of the Times Mirror Company in 2000. This drove revenue from \$1.4 billion in 1999 to more than \$4 billion in 2000, before slipping in 2001 and 2002. Before 2000, The Tribune Company experienced a nine-year stretch of stagnant revenue, in inflation-adjusted dollars, although it had earnings margins of well over 20 percent. The company was hit hard in 2001, with a 34 percent drop in income, but saw a steep rise in income in 2002 and the first half of 2003.

New York Times

After several years of stagnant growth, The New York Times Company managed to nearly double its inflation-adjusted revenue from 1991 to 2000. After taking a hit in 2001, The Times is starting to see higher margins, with a 17 percent rate for the first six months of 2003.

Knight Ridder

Knight Ridder has had less growth in recent years than the three other large chains, and in 2002 was off nearly \$400 million in revenue from its peak in 1999. In 2001, the company cut 10 percent of its jobs. The chief executive, Tony

Ridder, indicated that most of those jobs would not be restored, which led to a greater profit margin in 2002 without a rise in revenues. 7 Criticism over Knight Ridder's approach was embodied by the resignation of Jay Harris, publisher of The San Jose Mercury News, in 2001 when he said that further cuts threatened the journalistic integrity of the Knight Ridder newspaper. 8

Changes in Ownership

There was a slight increase in the mergers and acquisitions front in 2003, although still not to the levels reached from the mid-1990s through 2000, during which The Tribune Company purchased Times Mirror and Gannett bought Central Newspapers.

Perhaps the most meaningful sale in 2003 was that of the family-owned Freedom Communications, a 65-newspaper chain, which includes The Orange County Register in California and 27 other dailies. According to Advertising Age, the chain had newspaper revenues of \$662 million in 2002. 9 In the end, it was sold to a consortium of family members. But the highest of a number of bids were from Gannett and MediaNews. That could signal that a faster pace of acquisitions is about to resume – though there are probably not so many desirable properties left as in the 1980s and 1990s.

The other major story in the newspaper industry was the continued fight between The Seattle Times and The Seattle Post-Intelligencer. The two papers have a joint operating agreement under which The Times (which is 50.5 percent owned by the Blethen family and 49.5 percent by Knight Ridder) has merged non-editorial operations and splits any profit earned with the Hearst-owned Post-Intelligencer. The Times says it has lost money for three consecutive years and has sued to end the operating agreement, which Hearst has said would lead to closing The Post-Intelligencer. A September 25th 2003 court decision ruled against the Times, not allowing the first year of its loss to be counted inside the operating agreement because it was incurred partly because of a strike. This keeps the agreement active for another year, but the battle will continue in 2004.

And the prospect that Hollinger newspapers would be sold due to financial improprieties by its top executives, including the press baron Conrad Black, is a further signal of more merger activity to come. Still more mergers are possible, too, given intentions by the Federal Communications Commission to allow companies to own outlets across different media platforms (newspapers and television stations, for example) in the same community. (See Local TV). But Congressional and judicial action blocking the FCC deregulation for the moment has put the prospect of such deregulatory merger activity on hold.

Footnotes

1. Editor and Publisher Yearbook Online data, 2003, www.editorandpublisher.org

2. Editor and Publisher Yearbook Online data, 2003, www.editorandpublisher.org

3. Lauren Rich Fine, Newspaper Industry Primer, 7th Edition. Merrill Lynch, July 9, 2003, p.7

4. Morton Research, unpublished "Newspaper Segment Data," Silver Spring, Maryland. The 14 companies are A.H. Belo, Dow Jones, Gannett, Hollinger, Journal-Register, Knight Ridder, Lee, McClatchy, Media General, New York Times, Pulitzer, E.W. Scripps, Tribune, and the Washington Post.

5. Morton Research, unpublished "Newspaper Segment Data," Silver Spring, Maryland.

6. Newspaper Association of America, "Quarterly Newspaper Advertising Expenditures," <http://www.naa.org/UtilArtPage.cfm?AID=1399&TID=378>

7."Even when the economy recovers, many newspapers that have gone a lean diet won't be bulking up again," Editor and Publisher. March 4, 2002, www.editorandpublisher.org

8. Poynter Online, "The Harris Case: What Next for Newspapers?" http://www.poynter.org/dg.lts/id.13025/content.content_view.htm

9. Advertising Age, "100 Leading Media Companies," AdAge.com, August 2003. Companies are ranked by their total media revenues collected in the United States in 2002. The list is available at <http://www.adage.com/page.cms?pagelid=1018>.

News Investment

News Investment

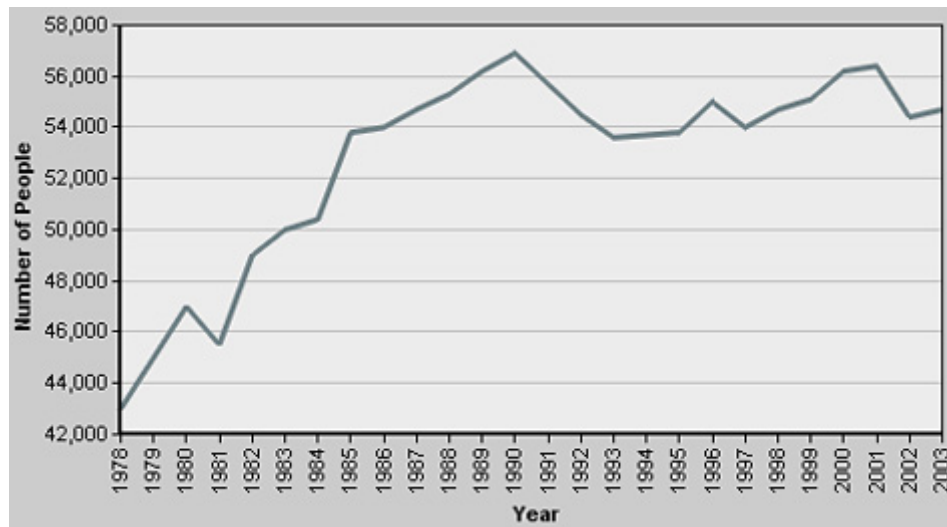
Over the last two decades, a series of problematic trends in newsroom investment have developed. During hard times, many newspapers have made sharp cutbacks in newsroom staffing and expenditures. And during good times, while there are modest expansions, many have not made up for what was lost, particularly in staffing. The lion's share of the growing revenues has been turned instead into higher profit margins.

The effect, all evidence suggests, is that newspapers have seen a net drop in the overall number of people and a squeeze on resources devoted to covering the news. The cuts coincide, moreover, with the sharper decline in circulation that began in 1990.

The cycle of deep cutbacks followed by only modest expansion goes back about 15 years. Between 1990 and 1992, for instance, the number of full-time professional news-editorial employees shrank by 3,300. It rose gradually through the rest of the 1990s. But then the number fell again in 2001 by 2,000 – about 4 percent of the total news-editorial workforce at American dailies. During 2002, about 300 net jobs returned, only 15 percent of those lost the previous year. Totals for all of 2003 are not available, but the job gains will likely again be small. ¹ But as of 2002, newspapers have about 2,200 fewer newsroom employees than in 1990. ²

Newspaper Newsroom Work Force

1978 to 2003



Design Your Own Chart

Source: American Society of Newspaper Editors

Hard numbers on newsroom budgets are not available, but indirect evidence paints a similarly bleak picture. From the trough of the last recession in 1991, through the peak year of 2000, newspaper ad revenues rose 60 percent. Operating profit margins, meanwhile, nearly doubled, from 14 to 27 percent, according to estimates by Lauren Rich Fine, a Merrill Lynch analyst. ³

Profits jumped by 207 percent during the period. That reflects continued improvements on the cost side of the business as well. New production technology, in particular, has facilitated reductions in total industry employment for 15 years. ⁴

But with these eight years of soaring revenues and sharp reductions on the cost side, newsroom jobs saw only a 3 percent gain, most of which then got wiped away during the 2001 downturn. ⁵ Newsroom budgets surely rose much more than that, but, according to the annual Inland Cost and Revenue Study, fell as a percentage of revenue. ⁶ The net effect is that the cutbacks in hard times are not being fully recouped in the good times.

Often, as in 2001, job reductions are achieved to a substantial degree by buyouts. The effect, then, has been extra savings by shedding experienced, higher-salaried reporters and editors. And the budget cuts hit hardest in areas like

training, travel and resources for investigative and in-depth reporting, the areas some deem most critical in providing quality news content.

Some argue the real cuts and lagging investment in the newsroom may be even greater than the numbers suggest. A key reason is that the workload of the newsroom is actually bigger than it was two decades ago. Pagination – the electronic replacement of hot type or page paste-up – swept through the industry in the late 80s and early 90s. It was a huge net efficiency, but it also moved work out of the composing and into the newsroom. Prof. John Russial, a copy editor turned academic, demonstrated in his doctoral dissertation more than a decade ago that the newsroom got more extra work than extra people.⁷ The time available for top-level copy-editing has been pinched ever since.

There has also been a trend in recent years toward zoned editions and to more specialized coverage for many interest groups, like the fast-rising Hispanic and other immigrant populations. Both are staff-intensive. Feeding content to Internet or television affiliates is another new part of the newsroom routine

It all adds up to a mission creep with a reduced work force, and possibly less time for artful storytelling and high-level reporting and analysis.

Prof. Phil Meyer at the University of North Carolina, has variously described all this as an industry on a slippery slope, or essentially liquidating itself. Others, such as the stock analyst John Morton and the press critic Alex Jones, have described what they considered the excessive profits of newspapers as an industry eating its seed corn.

Their argument is that such cost cutting is short-sighted. The benefit of a higher profit margin is immediate – it satisfies Wall Street or bottom-line-oriented private investors – but the benefits of an investment in news quality inevitably take longer. The industry should maintain quality during the hard times, and an industry that does not invest cannot possibly grow, create new products and reach new audiences. If the industry is losing readers, lack of innovation and investment – especially in the last 15 years – is part of the reason.

On the other side, various industry and financial professionals argue that matters are not so simple. For one thing, the cuts and rising profit margins, some argue, make long-term strategic sense. As a “mature” industry rather than a growing one, newspapers should focus on efficiency and cost cutting to provide investors a competitive return. After 60 years of declining circulation penetration, the case for growth is hard to prove, they argue. These industry analysts and news executives believe that only in a few unusual circumstances would investing more in the newsroom pay for itself in new readers and higher revenues.

Others argue that the drop in newsroom staffing and investment may not be as serious as it appears. After all, there were 154 fewer papers in 2002 than in 1990. The drop in the number of employees (4 percent from 1990) is not nearly as steep as the drop in circulation of 11 percent.⁸ Also, given the cyclical nature of the business, there is some managing around the ups and downs. Cost and the size of news staffs are controlled during good times and, with a few exceptions like Knight Ridder, cuts are not as deep as the decline in revenues and profits in a down year like 2001.⁹

On top of that, even if newsroom budgets and staffs were lagging during the good times of the 90s, most companies did invest in the development of an online presence. Some – The Tribune Company and Media General, particularly – have extended the investment in so-called convergence, to television stations they own. What’s more, in the last three years some companies are launching their own youth-oriented or Spanish-language papers.

And while newsgathering is inescapably labor-intensive, a gain in efficiency or productivity – “working smarter,” as it is known – is certainly possible. In the current presidential campaign, for example, many regional papers have decided that there are better and less expensive forms of coverage than assigning reporters to trek with the major candidates by bus or by plane to every campaign stop.

So which side of the argument has more merit?

In part, it depends on geography and demographics. Some markets are growing and have more potential. Other cities have stagnant populations and economies as well as lower levels of education and other likely indicators of potential readers.

Also, both arguments are, in part, theoretical and impossible to prove conclusively. Still, there is some growing evidence on Meyer’s side of the analysis – that the industry can only dodge the bullet of the rapid circulation losses for so long.

Recently, for instance, Fine, the Wall Street analyst, said that Knight Ridder and Gannett (not counting USA Today) had lost more than 20 percent in circulation at a group of their larger papers she tracked over a period of just 10 years.¹⁰

After a Knight Ridder presentation to investors in December 2001, an analyst asked pointedly how the company could justify ad rate increases of 2 to 3 percent when circulation had fallen that much in the last year at some of its papers. In the two years since, Knight Ridder has re-emphasized circulation growth, in some markets dropping the price of the newspaper, and has shown some gains. 11

At the other extreme, Fine found that the McClatchy newspapers, whose owners believe it is possible to gain new readers in their markets, have increased circulation by 7.6 percent in the same 10-year period. 12 McClatchy has had one of the best records of advertising growth and stock appreciation for the last two years, not to mention the intangible for attracting and retaining editorial talent by gaining a reputation as a good place for journalists to work.

The argument for newsroom investment is also reinforced by some new academic work by Meyer and others.

Recent studies by Meyer found that papers with larger staffs relative to their circulation retained more of their household penetration over a period of years. So did papers whose readers rated them higher for credibility. The more credible papers also charged higher stated ad rates.

Meyer's research is further supported by an extensive review of decades of academic research supervised by Prof. Esther Thorson at the University of Missouri. That literature review showed a clear pattern that investing more in the newsroom is correlated to higher quality, higher circulation, higher ad rates, and higher profits. The best way to build circulation, the research suggested, is to diversify content. And this is further reinforced by work by the Readership Institute at Northwestern, which finds that diversifying content will also get readers to spend more time with the newspaper.

The industry will not embrace the most alarmist rhetoric, but it lately does appear concerned about circulation/readership erosion. In just the last year or two, the prevailing strategy appears to be at least to slow the losses at the newspaper proper and build audience with a family of news products, including online and specialty publications, such as those aimed at younger readers or Spanish language editions.

But the possible economic recovery of 2004 and resumption of good times in years to follow will pose a test. After rebuilding revenues and profits to pre-recession levels, will the industry reinvest in improving the core news product and reaching new audiences, the newsroom, or again choose to focus on growing profit margins?

Footnotes

1. American Society of Newspaper Editors, "Newsroom Employment Survey." 2003, Table A, <http://www.asne.org/index.cfm?id=1138>, (Data as of the end of 2002).

2. American Society of Newspaper Editors, "Newsroom Employment Survey." 2003, Table A, <http://www.asne.org/index.cfm?id=1138>, (Data as of the end of 2002).

3. Lauren Rich Fine, Newspaper Industry Primer, 7th Ed, Merrill Lynch, July 2003

4. Rick Edmonds, "Good Times Coming? Watch Out," Poynter Online, December 8, 2003, http://www.poynter.org/content/content_view.asp?id=56948

5. American Society of Newspaper Editors, "Newsroom Employment Survey." 2003, Table A, <http://www.asne.org/index.cfm?id=1138>, (Data as of the end of 2002).

6. Lou Ureneck first spotted news-editorial's falling share of revenue, using data from the Inland Press Association National Cost and Revenue Study, in Nieman Reports, Summer 1999. The share remained reduced through 2000.

7. John Russial, "Pagination in the Newsroom: A Question of Time," Newspaper Research Journal, Winter 1994, p. 91-101

8. American Society of Newspaper Editors, "Newsroom Employment Survey." 2003, Table A, <http://www.asne.org/index.cfm?id=1138>, (Data as of the end of 2002).; Editor and Publisher Yearbook

9. McClatchy and Gannett specifically talked about smoothing out the bumps in staffing during presentations to analysts in 2001 and 2002.

10. Lauren Rich Fine, "The Newspaper Industry: Circulation Stalling But Efforts Continue to Improve Readership," Merrill Lynch, May 29, 2003. p.4

11. Knight Ridder increased its daily and Sunday circulation in 2002 and the first months of 2003. It fell back some in the six months ending September 2003

12. Lauren Rich Fine, "The Newspaper Industry: Circulation Stalling But Efforts Continue to Improve Readership," Merrill Lynch, May 29, 2003. p.4

Public Attitudes

Public Attitudes

There is an enormous amount of data that has been collected over the years about public attitudes toward the newspaper industry, more perhaps than for any other medium. Taken together, the survey data reveal four key trends.

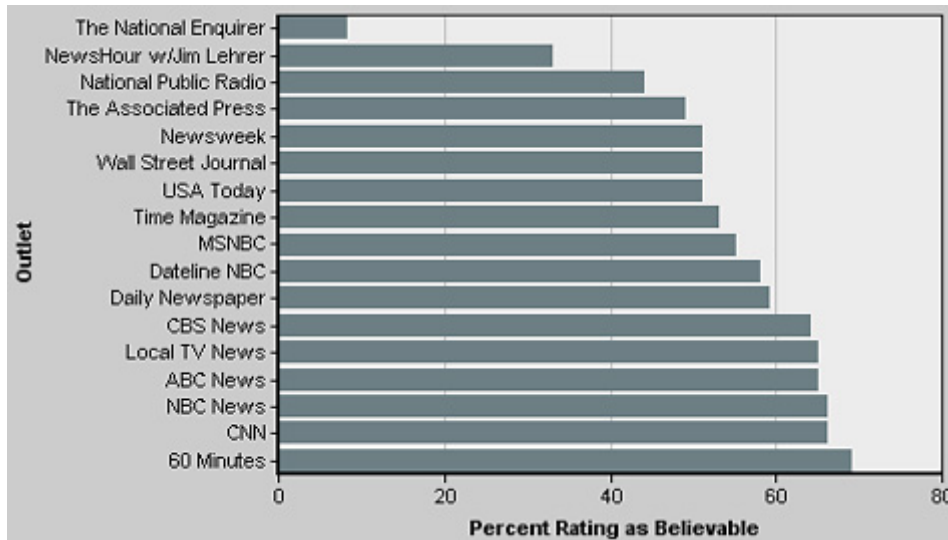
- People tend to trust newspapers less than other mediums.
- That trust is declining, as it is for other kinds of news mediums.
- People think newspaper journalists are out of touch and motivated by commercial imperatives.
- But people still turn to newspapers, particularly during certain kinds of news events and particularly for local news and for an opinion forum.

Trust: Believability and Credibility

The history and enduring nature of newspapers do not, in the end, give the medium an edge when it comes to public perception. Asked a number of different ways, citizens continuously give newspapers worse marks than other mediums, despite the sense by most print journalists to the contrary.

In general, Americans give newspapers lower marks for believability and credibility than they do for local television news, or any of the three network newscasts and CNN. And this has been the case for decades. NBC's "Dateline," a prime-time television newsmagazine that tends to focus on softer and sometimes more tabloid-oriented subjects, rates nearly as high as newspapers.

Media Outlets Ranked by Believability, May 2002



Design Your Own Chart

Source: Pew Research Center for the People and the Press

*Survey qu: Please rate how much you think you can believe ... Includes ratings of 3 and 4 on a scale of 1 (not believable) to 4 (believable) □

While there are various surveys tracking this, one of the latest, a study by the Pew Research Center for the People and the Press, found that a majority of Americans tend to believe their daily newspaper – 59% gave it the highest two ratings on a scale of 1 to 4 in May of 2002. Nevertheless, this is lower than the roughly two-thirds of respondents who rated the various television news categories this way. A full 66 percent gave believability ratings to NBC and CNN, 68 percent to ABC and local news, and 64 percent for CBS ("Dateline" received top ratings from 58 percent). 1

(National Public Radio and the NewsHour with Jim Lehrer appear lower on the believability scale, but that is only because larger percentages of Americans haven't heard of or say they can't rate them, 29% for NPR, and 49% for the NewsHour).

The only news medium that newspapers seemed to surpass when it comes to believability is print magazines. Just more than half deem Time (53 percent), Newsweek (51 percent) and US News and World Report (51 percent) believable. They also still hold and edge over Fox (53 percent) and MSNBC (55 percent) 2

The picture looks even worse for national newspapers included in the Pew data, as it has in past surveys. According to Pew, the slimmest of majorities (51 percent) believe USA Today, while 25 percent indicated a lack of believability and 23 percent said they could not rate it). The same 51 percent believed The Wall Street Journal, with 15 percent not believing in it and 34 percent not being able to rate it. The New York Times was not included in the survey. 3

Some of this may have to do with the way people react to news they can see versus what they read, and their attitudes towards local media they know versus national media they are not as familiar with. If so, there may be little newspapers can do about their relative believability versus other media. Perhaps more worrisome for newspapers, however, is the trend line. The percentage of people who rate their daily newspaper as believable has dropped from 80% in 1985 to 59% in 2002. Other media, including network and local TV, have seen similar declines. Here, the NewsHour, NPR, and 60 Minutes stand out for not declining in believability.

Newspapers also have some reason for concern when pollsters turn from asking about believability to asking about quality. When Pew asked, in January 2002, who has been doing the best job of covering the news lately, only 10 percent of respondents named newspapers, compared with 38 percent for cable television, 16 percent for network television news and 13 percent for local television news. 4

This could be chalked up to a number of factors – the appeal of visual media generally and the increasing availability and convenience of television and online news versus print among them. Yet this finding may also reflect something else. Perhaps since September 11th cable television news, whatever its weaknesses, was the best source of international news generally available in most U.S. communities. Local newspapers, with their focus on local news, were not satisfying reader demand for more news about the war on terror. Though newspapers have not ranked especially well on this question, this still represented a noticeable decline. In January 1999, 13 percent named newspapers as doing the best job, and 14 percent said so in January 1996.

The Readership Institute at Northwestern University has found somewhat more promising results. In a 2000 survey, 11 percent of newspaper readers said their local newspaper was excellent and 39 percent said it was very good, with 35 percent rating it as good. Just 15 percent said it was fair or poor. Also, nearly three-quarters of readers (73 percent) indicated that they would recommend the local paper to a friend. Only 7 percent said they would not recommend it. 5

The research on public attitudes also suggests the nature of newspapers' appeal and perhaps enduring qualities. People do not tend to turn to newspapers when news is breaking, but they go there later on for a sense of what to make of things.

The percentage of people who name newspapers as their primary news source tends to drop during major breaking news events, such as September 11th or the Iraq war. Only 11 percent cited newspapers as their primary source for news during the terrorist attacks. Just 24 percent saw newspapers as their primary source for the Iraq war in March 2003. 6

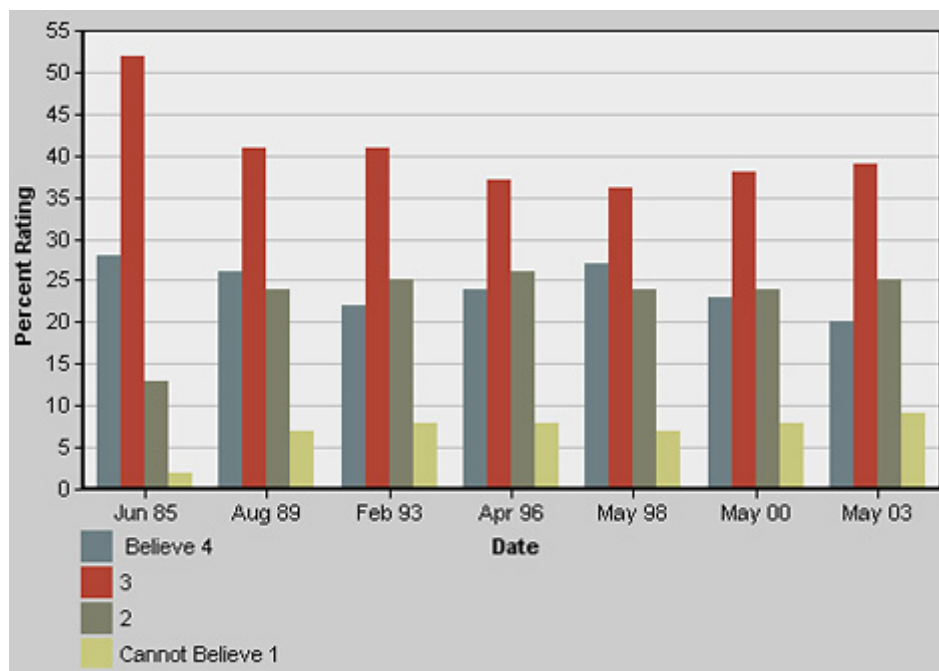
However, as the initial shock of these events subsides, newspapers regain importance. More people began citing newspapers as a main source after the end of combat in Iraq. By October 2003, the latest numbers available, 50 percent said that newspapers were their primary source of news. That is the highest percentage of people citing newspapers as their main source since 1996, making it second only behind television. 7

This upsurge is probably impossible to explain right now. One reason could be that changes in the nature of the content of cable are pulling people back to print (See Cable TV content). Another possibility is that the nature of the news in the latter months of 2003 was suited to newspapers. Understanding why the United States had gotten into the war, trying to piece together the situation in Iraq and the soundness of Bush administration policies – perhaps these are questions that newspapers may help people sort out more efficiently than turning to fast-breaking cable television or abbreviated local news. It will be helpful to see if this upsurge continues or changes with events.

Another study on public response to coverage of the war, this one by the Readership Institute, offers further clues as to what people like about newspaper versus other media. The study found that during the war in Iraq in March and April 2003, people said they liked the editorial and opinion pages of newspapers, and they also liked papers for giving them a local perspective on the war. The depth and balance that newspapers might provide did not register as strong assets for print in the study, nor did the suggestion that newspapers had more expert sources or dug more aggressively for the news than television might. 8

Newspaper Believability Over Time

Surveys: 1985 to 2002



Design Your Own Chart

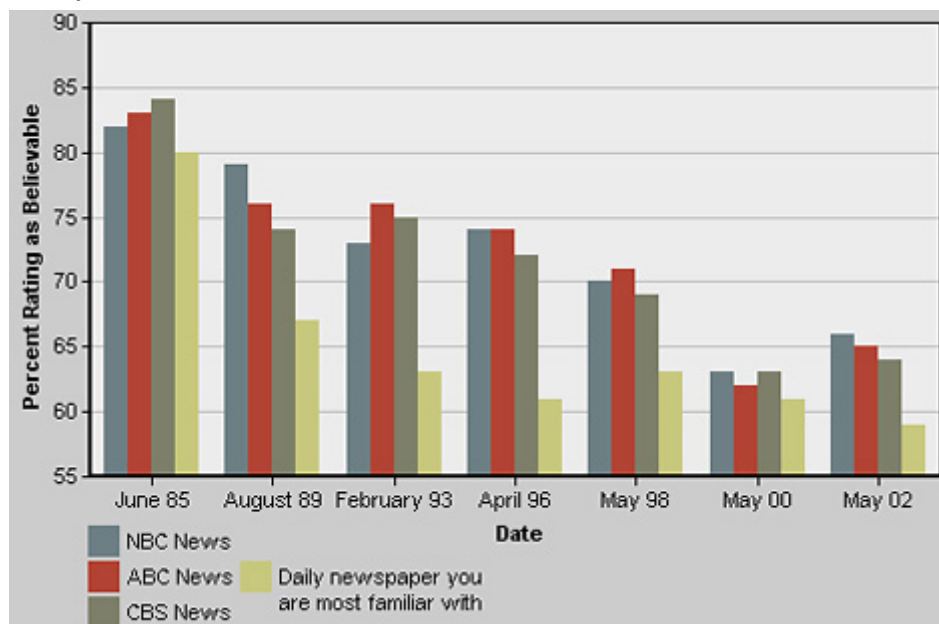
Source: Pew Research Center for the People and the Press

* Survey qu.: "Please rate how much you think you can believe the daily newspaper you are most familiar with."

Which way is trust heading? There are clear signs of decline, but for all of the news media. Since 1985, believability of the daily newspaper has fallen by a quarter, from 80 percent in 1985 to 59 percent in 2002, according to Pew data. The three television network news divisions and local news also saw significant drops from 1985, when they were all above 80 percent for believability. ⁹

Believability of News Outlets Over Time

Surveys: 1985 to 2002



Design Your Own Chart

Source: Pew Research Center for the People and the Press

*Survey qu.: Please rate how much you think you can believe ... Includes ratings of 3 and 4 on a scale of 1 (not believable) to 4 (believable).

Behind the Credibility Gap

What is driving what some have called a “credibility crisis?” In part it is a cultural divide. People think newspaper journalists are isolated and out of touch. In part, the credibility crisis is a disconnect over motive. Journalists think they are working in the public interest. The public thinks they sensationalize and report articles to make money.

This cultural divide is seen in various numbers. Some of them have to do with a sense that journalists are isolated. In a major 1999 survey conducted for the American Society of Newspaper Editors, for instance, a majority of the public, 53 percent, viewed the press as “out-of-touch with mainstream Americans.” And 78 percent thought that journalists were more interested in the interests of their editors than their readers. ¹⁰

Some of the numbers deal with the attitude of journalists. Two-thirds of the public viewed journalists as more cynical than people in other professions, according to the ASNE credibility study. ¹¹

The other part of the crisis has to do with motive. More than half of those polled, 59 percent, told the ASNE study that newspapers were more concerned with making profits than with the serving the public interest. And half thought that advertisers swayed coverage. Pew surveys over the years similarly find a decline in the sense that journalists are serving the public interest.

This sense of lack of professionalism and sensationalizing to sell papers was clearly seen following the scandal in 2003 at The New York Times, particularly the news that the reporter Jayson Blair had engaged in extensive fabrication. The Times, which prides itself on respectability, took heat for the incident, which resulted in the resignations of the executive editor, Howell Raines, and the managing editor, Gerald Boyd.

But one of the saddest revelations to come from the scandal was that many people thought such unethical conduct was typical of newspapers. Nearly a quarter (22 percent) told a Pew survey in the summer of 2003 they thought that the practices engaged in by Blair happened frequently, while 36 percent said they thought it happened occasionally. And most of the public (58 percent) thinks journalists do not care about complaints of inaccuracies (only 35 percent think members of the press do care). ¹² The credibility problem can be seen in polling data going back nearly 20 years. It is hardly limited to print journalism. Some of it clearly tracks the decline in public trust in all institutions, and thus is more cultural than something that the newspapers or even journalists generally can do anything about. But not all of it. And here is where newspapers can react.

Footnotes

1. Pew Research Center for the People and the Press, “News Media’s Improved Image Proves Short-Lived,” August 4, 2002, Qu. 9

2. On the other end of the scale, 9 percent said that they could not believe their local newspaper (they gave it a 1 on a 1 to 4 scale); 25 percent gave it a 2. Thus, over a third of people do not believe their newspaper, which is much higher than those not believing cable or network news. The poll has a margin of error of +/- 3 percent.

3. A 2001 survey by the Online Publishers Association asked about the credibility of national newspaper in general and reported that 80 percent found national newspapers credible compared to 83 percent for cable and just 68 percent for local newspapers. Online News Association, “Digital Journalism Credibility Study,” 2002, www.journalists.org. Respondents were asked to rank the credibility of news in different media on a scale of 1 (Not credible at all) to 5 (Extremely credible). Answers of 4 or 5 were considered as denoting credibility, 3s was considered neutral, and 1s or 2s were considered as not credible.

4. Pew Research Center for the People and the Press, “Unusually High Interest In Bush’s State Of The Union,” January 17, 2002, Qu. 9

5. Readership Institute, “Characteristics of Subscribers, Single-Copy Buyers and Passalongs,” January 2003, p. 8

6. Pew Research Center for the People and the Press, “President’s Criticism of Media Resonates, But Iraq Unease Grows,” October 21, 2003, Qu. 8. Respondents were allowed to name two media.

7. Ibid. Respondents were allowed to name two media.

8. Readership Institute, "US Daily Readership during the War with Iraq," May 2003, p.13. During the war in March and April, readers were asked to rank statements about their reading experience on a scale of 1 (strongly disagree) to 5 (strongly agree). An average was then calculated with 3 as the midpoint. Higher than 3 indicates agreement, and lower than 3 shows disagreement. A "thoughtful editorial and opinion section" and "gave me a local perspective on the war" both received a 3.6 average, which shows agreement. People were neutral (3.0) on newspapers covering all sides of the story and disagreed that newspaper reporters "dig harder than TV reporters to get the news" (a 2.7 rating), and that newspapers "use more expert sources than television" (a 2.6) rating.

9. Pew Research Center for the People and the Press, "News Media's Improved Image Proves Short-Lived," August 4, 2002, Qu. 9

10. American Society of Newspaper Editors, "Examining Our Credibility: Perspectives off the Public and the Press," 1999, <http://www.asne.org/kiosk/reports/99reports/1999examiningourcredibility/index.htm>

11. Journalists themselves echo this view: 84 percent see themselves as being more cynical. Despite this cynicism, 69 percent of journalists think they were using their power to "protect the underdog;" a view held by 53 percent of the public.

12 .Pew Research Center for the People and the Press, "Strong Opposition to Media Cross-Ownership Emerges," July 13, 2003, Qu 25 and 26

Conclusion

Conclusion

The decline in circulation and the decline in public trust are problems that the newspaper industry has been struggling with for years. In some ways, the good news is two-sided. The financial durability of newspapers offers them the resources to diversify the product and seek out new audiences.

Yet the long-term profitability of newspapers, and the clear advantages in content that print offers over some other media, can also be a crutch. Newspaper publishers can justify not investing more in new product, in new content, in diversifying their target audiences, because they can argue that they are already the strongest newsgathering operation in their community. More quality, they may think, will not pay for itself. And the financial markets have come to expect, with a few exceptions like The New York Times, a mature industry that must justify itself to investors by producing high profits, not by investing them back into the product for a potentially risky return.

At the same time, if the newspaper industry falters because of its failure invest for the long term to attract new readers and advertisers, the insistence on continuing those high profits will become even more self-defeating.

The challenge is that the continuing loss of audience and the aging demographics suggest that, in time, something must give. It is possible that newspapers will have to change a great deal more than they have or their financial health will not be sustained.

Online – Intro

Intro

By the Project for Excellence in Journalism

Although the economics are still evolving, the Internet has now become a major source of news in America.

In September 2003, over half of the people in the United States – 150 million – went online, a record for Web use. 1 And half to two-thirds of those who go online use it at least some of the time to get news.

Whether the new medium is replacing the old, however, at this point is less clear. Although some people report getting news online at the expense of getting it from magazines and newspapers, the majority of online news consumers say they spend as much time with print as they did before. Television news, research shows, may be more affected.²

The Internet is the medium having the most success attracting young people to news, something that the older media were having trouble with before the Internet even existed.

Economically, producers of Web news are still trying to translate the rising number of people who get news online into the kind of profits to which traditional news media companies are accustomed. Journalism has traditionally been a slow-growth industry (CNN, for instance, took ten years to turn a profit). The Internet seems no different. Some of the biggest news Web sites are not yet breaking even. And the revenues that media companies do get from their Web activities, while rising, account for only a small fraction of their overall revenue. Gannett makes more revenue from its newspaper division in a week than its online division makes in an entire year.³

Still, online advertising revenues are growing at a much quicker pace than those in the traditional media. The Web has also continued to gain prominence with consumers, as evidenced by the \$12.2 billion spent online between Thanksgiving and Christmas in 2003, an increase of 42 percent over 2002.⁴

The Web has produced a new breed of online competitors vying for local advertising dollars, especially classified. Their chief rival, the newspaper industry, has kept these new competitors at bay for now, but the battle is far from over.

In the meantime, a handful of giant media companies have come to dominate Web news, at least for the moment. Time Warner, the largest of them, controls two of the top four news sites. Nearly 69 percent of the most popular news Web sites are owned by one of the 20 biggest media companies. There are also a myriad of local Internet news sites, whose goals are not to compete for the nationwide audience but rather to appeal to the local community. Their popularity is harder to track.

Web logs, or blogs, such as instapundit.com and kausfiles.com, are an exciting new prospect for the Web. And some of these bloggers are influential. For now, though, bloggers appear to command only a fraction of the online audience. During the first week of the Iraq war, for instance, the Pew Internet & American Life Project found that only 4 percent of Internet users had visited a blog.

The Web is the only part of the mainstream news business that generally is seeing audiences grow, especially among the young. People like the convenience of the Web, its availability at work, its speed for delivering breaking news, and increasingly they are coming to trust the accuracy of the information they receive there. The problem is an economic one. How will Web journalism begin to pay its own way? If people increasingly substitute the Web for their old media before a robust economic model for the Web evolves, the economic effect could be devastating for journalism. Companies might begin to cut back significantly on their newsgathering abilities, as audiences abandon profitable old platforms in favor of less profitable new ones. The net in this case might weaken, not strengthen, the economic vitality of news organizations and the quality of American journalism.

Footnotes

1. comScore, "comScore Media Metrix Announces Top 50 U.S. Internet Property Rankings for September 2003," press release, October 21, 2003, www.comscore.com

2. Jupiter Research, "Individual Consumer Survey," June 2003, www.jupiterresearch.com; UCLA Center for Communication Policy, "The UCLA Internet Report – Surveying the Digital Future," January 2003; Pew Research Center for the People and the Press, "Internet Sapping Broadcast News Audience," June 11, 2000, P. 1

3. Advertising Age, "100 Leading Media Companies," AdAge.com, August 2003; "What Newspaper Web Sites Earn," Borrell Associates Inc., April 2003, p. 8.

4. Nick Wingfield, "Internet 2.0: E-tailing Comes of Age," Wall Street Journal, December 8, 2003, p. B1.

Content Analysis

Content Analysis

The promise of Internet news is its availability, immediacy, interactivity and unlimited space. Which of these characteristics are really being taken advantage of?

To get an answer, the study conducted a content analysis of eight news Web sites, including the five most popular as measured by ratings. This content study suggests that the Internet has made marked progress in the last few years, but the degree to which it is fulfilling its potential varies widely.

Among the findings:

- Internet journalism is still largely material from old media rather than something original.
- There is a mixed message when it comes to immediacy. While a good many of the lead stories are new through the course of the day (roughly half), the amount of updating of running stories with substantive new information is more limited (a little more than one in ten stories).
- For now, perhaps the strongest trait the Internet is taking advantage of is providing background information to its stories, such as links to archival material or other sources.
- Content on the web is still driven by text narratives. Most sites make only limited use of the multi-media potential of embedding such things as videos, audio, still photos and user feedback into news stories.
- Among those studied, there are three kinds of sites – those generating staff content, usually from their parent company, those relying almost entirely on wire service and those trying to edit and adapt wire copy and adding some original content.

To examine the Internet, the Project looked at a range of Web sites throughout each day, rather than look at sites once a day. We looked at eight sites – two from cable television (CNN and Fox), two associated with broadcast television networks (CBS News News and MSNBC.com, which is affiliated with both MSNBC cable news and NBC), two Internet-only sites (Yahoo and AOL) and two newspaper sites (NYTimes.com for a large- circulation market and reviewjournal.com of The Las Vegas Review Journal for a small-market newspaper). Altogether, 709 news articles were examined in four downloads a day on the eight sites over five days scattered over four months, or a total of 160 downloads. The study examined all articles on the front page tied to a graphic image, plus the next top three articles. It also noted the links within each article.

Perhaps most distinctive were the differences among the outlets. While many critics complain that television network news all looks alike, that local television news is identical from city to city, or that basics of newspaper writing differ little from paper to paper, that is not the case for Internet. A series of visits to the Internet sites studied revealed an assortment of different styles and approaches.

CNN's busy home page, for instance, typically features links to about 50 articles, plus content from sister organizations Time, Sports Illustrated and Fortune. The New York Times Web site typically has even more articles, 75 to 80, most of them staff written, yet little video. Yahoo, on the other hand, normally features just 20 articles. All of these articles are from wire services, but several include streaming video.

Whether this variety reflects a medium still trying to find a single successful model, or a medium by its nature likely to continue to sustain more variety than the old media is impossible yet to discern.

Originality of Reporting

How much original reporting occurs online? Based on the eight sites studied, Internet journalism on the major news sites is still largely a medium made up of second-hand material, usually from the old media.

Overall, only about a third (32 percent) of the lead articles on the sites studied was material produced by the organization's own staff. And much of that came from a few of the sites, particularly those from newspapers, posting articles from their print parents. Thus even most of this material was not original to the Web.

A larger percentage of lead pieces, 42 percent, were wire stories posted without any editing and produced by other sources, particularly The Associated Press and Reuters.

A quarter (23 percent) were wire stories that included enough editing or additional material that they carried a combined staff/wire credit line or byline.

It should be noted, however, that much of the time those additions or edits were so minimal that they were difficult to detect when these versions were compared with the original wire stories.

Story Origination
Percent of All Stories

Origin	AOL	CBS News	CNN	FOX	LVRJ	MSNBC	NYT	Yahoo
Staff	0%	9%	75%	13%	78%	17%	72%	0%
Wire & Staff	0	82	11	35	0	48	0	0
Wire	100	9	15	53	22	23	25	98
Other Org.	0	0	0	0	0	13	3	2

Totals may not equal 100 due to rounding.

Still, at least users could tell that someone at the Web site had edited these stories and made some attempt to check the material or compare it to other wires. This is a significant distinction. It means that the journalistic function of synthesizing and verifying had occurred.

The reliance on wires also meant a fair amount of repetition among sites. When a big story hits, one is likely to come across the same story on any number of Web sites. On the day of the Midwest Black Out (August 15th), for example, a quote from a woman in Cleveland who was arriving to work in a T-Shirt and shorts without having brushed her teeth was carried on five of the eight sites we studied. Web readers from 9 a.m. to 9 p.m. were well-informed of attorney Lori Zocolo's inability to brush her teeth.

But not all sites are just wires. Basically the news sites studied fell into three categories when it comes to lead stories:

- Sites that were primarily staff written or performed their own verification and reporting.
- Sites that customized wires and produced some original content.
- Sites that relied almost entirely on wire stories without rewrite or much editing. These sites are really more portals than news organizations.

The type of medium sponsoring a site did not dictate where the site's stories came from. The only exception was the two newspaper sites, which matched closely in origin of information. CNN was the only other site that took on the look of a newspaper. At all three of these, more than 70 percent of the articles were staff written.

The sites most likely to customize wires were a network television news site, CBS.com, and MSNBC.com, which is a joint venture of Microsoft and NBC. The CBS News site was dominated by wire/staff combination stories (82 percent). MSNBC.com was more of a hybrid – 48 percent staff/wire combinations, 17 percent original material, and 36 percent straight wire or other news organization.

Finally three sites were largely straight wire copy. Two of these, AOL and Yahoo, were the two Internet-only sites. Sometimes referred to as portals, they relied entirely on straight wire stories without any evidence of checking their veracity.

The third, Foxnews.com, whose sister cable channel produces continuous original content on television, did some original reporting, though not much (13 percent). About a third of its stories were wire/staff combinations (35 percent), but the majority of its lead stories were straight wires (53 percent).

Story Length, Staff vs. Wire
Percent of All Stories

Words	Staff	Wire
100 or Under	0%	0%
101 to 500	12	27
501 to 1000	46	56
More than 1000	42	17

Totals may not equal 100 due to rounding.

It should be noted that the study did not include some of the well-known sites, such as Salon or Slate/MSN, that produce original Internet content. An earlier study by the Project of political coverage examined these sites and found that Salon mixed the sharp attitude and tone of the Internet with solid reporting. Slate, on the other hand, leavened its opinion journalism with summaries of the day's hottest political events in a kind of puckish tone, something like "Hotline for the Internet."¹ These sites, however, like blogs, are more analogous to elite journals of opinion in print. Their audiences are smaller than those studied here (except for the Las Vegas Review-Journal's), and their content is more essay and argument rather than breaking news, which is the focus of this audit.

Does it matter that the Web, on balance, is still more a medium for getting news via wire stories? This means the Web site is entrusting the accuracy of the copy to someone else, a wire service. In the past, this has proved detrimental as false information gets passed on downstream.

In addition to the issue of verification, other differences stand out in the study. The wire stories were shorter than staff-written pieces and were also somewhat less likely to be updated with important new facts.

On the other hand, Web sites were somewhat more likely to post new wire stories than they were staff-written pieces (55 percent of wire stories were new, versus 47 percent staff written).

Story Freshness

Like cable television news, the Internet promises the ability to continuously update users with the latest turn in events.

The study wanted to determine how much new information news Web sites actually posted through the day. To do so, we checked every four hours to see what percent of the lead stories were altogether new, what percent were unchanged and what percent were in some way updated.²

There are, moreover, degrees of updating: Was there something substantively new to the stories, just some minor details added or was it a rewrite around a new angle?³

Story Freshness
Percent of All Stories

Freshness	All Stories
Exact Repeat	21%
Repeat: No New Substance	14
Repeat: New Angle	2
Repeat: New Substance	14
New Story	49

Totals may not equal 100 due to rounding.

Overall, half of all lead stories (49 percent) were thoroughly new through the course of the day. The figure drops even more if you discount the 9 a.m. stories, which were all coded as entirely new. For the remaining three visits each day, just 34% were entirely new.

Still, only 21 percent of lead stories were left unchanged.

The remaining 30 percent of lead stories involved some form of update of an existing story. Of these, however, only about half (or 14 percent overall) contained substantive new information. Another 14 percent involved just adding minor new details. And 2 percent were what journalists call a rewrite, the same basic story but rewritten around a new angle.

Looked at another way, about 63 percent of the stories on the Web sites studied were either altogether new or substantively updated through the course of the day.

Is there a news cycle on the Internet? And is the news updated continuously in an even flow? Or does it change sharply toward the end of the day, after the close of business but a good 10 or 12 hours before the morning newspaper arrives?

Based on the eight sites examined, which included the five most popular news sites on the Web, the Internet still follows the news flow of morning newspapers to a significant degree.

The morning generally opens (For this study, all downloads and references to time are Eastern) with new headlines and content. As the day wears on, new stories are less and less likely to appear. Indeed, the lowest percentage of new stories appeared between 5 p.m. and 9 p.m.

On the other hand, the number of stories that were substantively updated increased as the day wore on. Starting fresh at 9 a.m., 16 percent were updated by 1 p.m., 19 percent by 5 p.m. and 21 percent by 9 p.m. Thus, somewhere between 9 p.m. and 9 a.m. is when the Internet converts to a new news cycle.

Are some sites more or less likely to add new content than others? Yes, but it does not correlate to what kind of site they are or the nature of their content.

Story Freshness, by Outlet Percent of All Stories

Freshness	AOL	CBS	CNN	Fox	LVRJ	MSNBC	NYT	Yahoo
Exact Repeat	23%	27%	10%	15%	70%	6%	25%	0%
Repeat: No New Substance	17	13	15	11	0	24	4	27
Repeat: New Angle	0	6	3	1	0	0	0	4
Repeat: New Substance	14	13	22	11	0	21	11	20
New Story	47	41	51	63	30	49	59	49

Totals may not equal 100 due to rounding.

Wire-heavy Yahoo and AOL, for instance, posted new stories less often than staff-driven NYTimes.com. Yet Foxnews.com, also mostly wire copy, was the most likely of the sites studied to post completely new material.

On the other hand, Fox was one of the least likely sites to offer substantive update stories in its leads. Its substantive updates matched that of the NYTimes.com, 11 percent, compared with more than 20 percent at cable-siblings CNN and MSNBC.

Does the web break stories? The study as constructed this year cannot answer that. It is something to watch in the future.

Story Components

How multilayered are Internet stories? Do they take advantage of the unlimited space and ability to use multimedia components?

In the Project's first study of the Internet, in 2000, fully a third of the political stories studied, including 100 percent of those on AOL and MSNBC, had no audio or visual links. Links even to external sites or additional information were minimal.

Today, the Internet has become more multifunctional and links to background information in particular have become commonplace. Sites still vary widely, however, and some kinds of multimedia links are still not the norm.

Overall:

- Three-quarters of stories contained links to archival or background information.
- A third of the stories contained at least one link to video.
- A third also contained links to still photos or photo galleries.
- And a third of stories offered links to other sites.

- Audio links, however, were almost nonexistent.

The one thing all the sites seemed to do consistently was to link to their own archives so users could read past stories to get background on events. The proverbial newspaper “morgue” or clipping library is now more readily available to the public. These background links, moreover, were not restricted to old stories. They also included online-only features such as summaries of candidate positions, image galleries, profiles of people in the news and timelines of events.

When it came to multimedia elements, such as video or galleries of still photos, there were wide differences among sites.

Multimedia and Interactivity on the Internet
Percent of Stories With Link Present, By Site

Site	Video	Audio	Photo	Graphic	Archive	Chat/Feedback
<i>Avg. Overall</i>	32%	2	36	16	74	40
AOL	17%	0	6	8	82	97
CBS News	62%	3	39	4	92	7
CNN	44%	4	32	28	60	1
Fox	27%	7	61	42	72	6
LVRJ	1%	1	1	6	45	0
MSNBC	52%	0	44	26	89	99
NYTimes	15%	10	24	9	72	25
Yahoo	29%	1	73	1	79	99

In general, broadcast sites were the most likely to have links to videos or still photos in their lead stories. Cable sites were more likely to have map or graphic links. Internet-only sites as well as MSNBC.com were more likely to have a place for user feedback.

Sites also varied widely in how often they linked to outside sources. Almost every story on Yahoo has an external link, as did more than half of the stories at MSNBC.com (58 percent) and Foxnews.com (51 percent). Only 6 percent of NYT.com lead stories had external links, 13 percent at CBS News, and 12 percent at AOL.

How much opportunity did sites offer users to react to stories? In all, 40 percent of stories studied had some way for users to offer feedback or participate in online discussions about the topic. But the findings varied widely and had no correlation to the kinds of stories, the nature of the parent organization or the popularity of the site.

Story Length

One question about the Internet is how long stories can be. On one hand, the Internet has the potential for infinite depth. On the other, some people question whether users can absorb long stories onscreen.

Is there an optimal length? Do sites vary much when it comes to this question?

Overall, the lead stories on the Web were shorter than newspaper front-page articles and than print magazine cover pieces. Internet lead stories were generally between 500 and 1,000 words (54 percent) while newspaper front page articles tended to run to more than 1,000 words (54 percent of front page articles) as did magazine cover stories (42 percent).

There seems to be no accepted norm among the sites studied when it comes to length of lead stories. Moreover, the differences did not seem to be tied to their originating news medium. At MSNBC.com, for instance, nearly half of all of stories were more than 1,000 words.

Some sites broke up long stories by dividing them into multiple pages. In the middle of the story, then, users must click the “next” button again and again to read on. Thus, while space is indeed unlimited, the amount of work the user has to do can often increase with length.

Sites also varied widely in how many short stories they carried. AOL and Fox ran a lot of short stories, under 500 words – nearly a third of those at AOL (31 percent) and more than a quarter at Fox (28 percent). At CBSNews.com, meanwhile, only 18 percent were that short.

Story Length, By Site
Percent of Stories, By Words

Site	101-500	501-1000	1001+
AOL	31%	56	14
CBS News	18	75	7
CNN	17	59	25
Fox	28	45	26
LVRJ	6%	53	40
MSNBC	14%	38	47
NYTimes	19%	43	38
Yahoo	13%	57	30

Totals may not equal 100 due to rounding.

Sourcing

In general, 39 percent of the 709 stories studied on the Internet contained anonymous sourcing, roughly double that of weekly news magazines, and more than newspapers overall, but less than newspaper front pages (45 percent of front-page articles had anonymous sources).

Six in ten stories (59 percent) had the highest level of source transparency – at least four sources named with some attempt to describe the source’s potential biases or point of view.

At least in lead stories, sourcing seems pretty strong. It is important to note that much of this sourcing arrives second hand, from wire services and, as mentioned above, much has not been verified by the Web site itself. Still, some of the wire copy seems the best sourced of all. MSNBC.com, for instance, which relies heavily on edited wire copy, was the most likely to run stories with four or more fully identified sources (71 percent of stories). CNN, with more original reporting, was the least likely to run stories with this highest of level of fully identified sources (45 percent).

Lead Story Topics

What is the top news agenda of Internet news sites and how does it differ from other media?

Here our answers are more limited than for some other media. To focus on the broader character of the Web – the level of interactivity, updating and other features- the study chose to look at a limited number of days but to examine those days in detail every four hours. Given that, there is little we can say quantitatively about the news agenda of the Web sites analyzed.

What we can offer is more impressionistic. Here, we were left with the sense that in its lead stories the Internet is more tied to traditional news topics than is often the case in cable and broadcast television, which have become somewhat more infotainment or tabloid in flavor. Web managers may be conscious that a sizable part of their audience is accessing their sites during the day at work. On the other hand, the infinite space on the Internet gives it a luxury that television does not have. It can cover everything. It is also, at this point, a less visual medium than television.

Perhaps given those similarities to print, the top stories on the Internet, at least according to our limited sample, share more in common with newspapers than with television.

But the Internet is more than print online. The degree to which the differences are developed and used varies from site to site, and it does not appear to be a matter of some sites having interactivity and others not. Rather, different sites seem to have chosen certain kinds of interactivity over others.

See end of document for content analysis methodology.

Footnotes

1. "ePolitics: A study of the 2000 Presidential Campaign on the Internet," Project for Excellence in Journalism, April 10,2000.
2. For this study, 9 a.m. was considered the starting point of a day. Therefore, while it could not definitively be stated that all 9 a.m. stories are new, they were categorized as such for the purposes of this analysis.
3. The study visited sites every four hours at four different times during the day, 9 a.m., 1 p.m. 5 p.m. and 9 p.m.

Audience

Audience

How many people use the Web for news? And is that number growing or has it stabilized?

In trying to understand the answers, three trends stand out:

- A majority of Americans now go online and most of them use the Web at least some of the time for news.
- Whether the new media are cannibalizing the old is less clear than some people think.
- While the audience may be growing, there seems to be a winnowing of the number of sites that dominate the Web for news.

Audience Overall

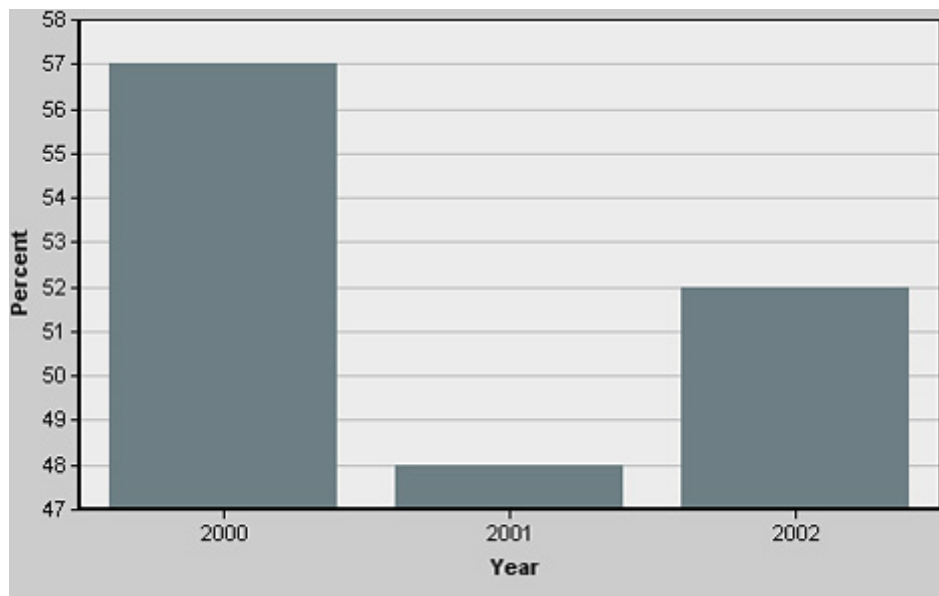
To get an accurate picture of how many people use the Internet for news, we must first start with the bigger picture of how many use the Internet at all.

At this most basic level – whether you ever go online – the numbers vary from just over half to 70 percent of Americans, depending on how the question is asked. 1 When pollsters ask about more regular usage – in the last month or the last week – the data point to a lower number, just over half of Americans in September 2003, according to ComScore Media Metrix. 2 The higher numbers are associated with only occasional use.

Online News Audience

What percent of these online users go there for news? Most of them do. According to surveys, anywhere from half to 70 percent of those online get news there. 3 Extrapolating, that would put the number of total online news users at 80 million to 105 million Americans. 4

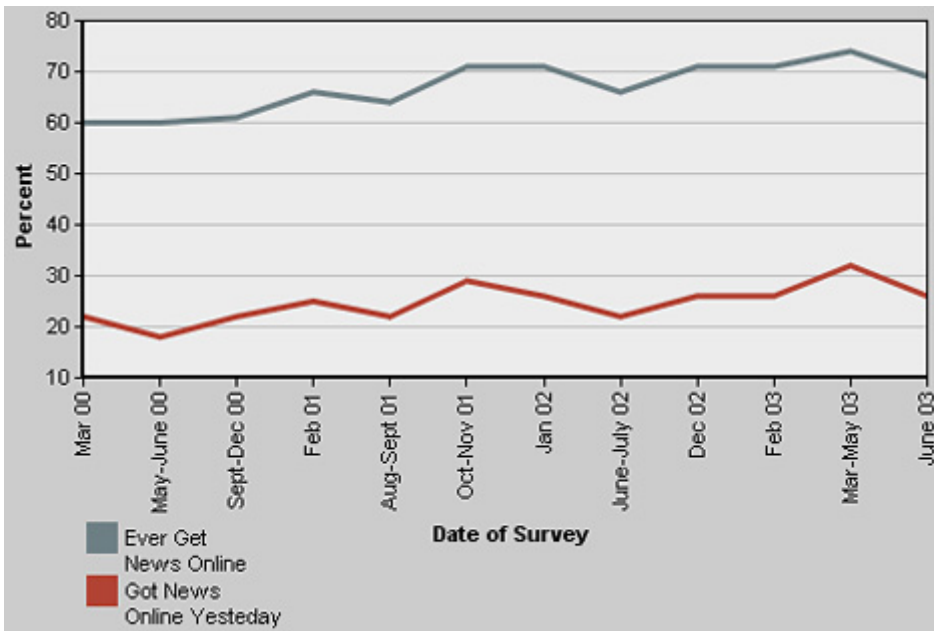
Percent of Internet Users Who Access News Online Each Week



Design Your Own Chart

Source: UCLA Center for Communication Policy, "The UCLA Internet Report – Surveying the Digital Future," January 2003, p. 18

Percent of Internet Users Who Get News There 2000 to 2003



Design Your Own Chart

Source: Pew Internet and American Life Project

The Pew Internet Project found in June 2003 that 69 percent of people online had “ever” gotten news there. That was up from 60 percent three years before. Jupiter Research found in June 2003 that 55 percent of people online had gotten news there “monthly or more frequently” (up slightly from 53 percent a year earlier). A study at UCLA found that 52 percent of those online got news “during a typical week” in 2002. 5

Another Pew Internet survey, which asks people if they went online for news “yesterday,” found a smaller number, 26 percent, in June 2003. While this number is lower, getting news remains a perennial top activity online. This suggests that while online news use for many people is not yet a daily activity, its occasional use mirrors people’s online use patterns in general. 6

The Question Of Growth

Beyond the latest numbers, there is the question of whether online news use is still growing or whether it has peaked. Here, the data are conflicting.

Pew and Jupiter show the percentage of people that go online for news mostly growing. The UCLA study shows it fluctuating.

But even if the number is stable, if the number of people who go online overall is growing, then a steady percentage of news consumers would signify growth. Pinning this down, however, is difficult.

Pew Research Center data show online usage generally leveled off at around 62 percent in early 2001. The UCLA findings also show it basically flat since 2001. But Jupiter Research predicts that usage of the Internet overall will grow because it expects household penetration – the percentage of homes connected to the Internet – to rise from 63 percent in 2003 to 73 percent in 2007. That would be a gain of 14 million new online households, of which presumably more than half would become news consumers online. 7

A shift from dial-up connections to high-speed cable modems and DSL is also occurring in America’s homes. Nine months into 2003, 15 million homes had a cable modem, up 30 percent from the start of the year, according the National Cable and Telecommunications Association. 8 This makes getting news online quicker and easier, and opens the door to streaming video and vastly more amounts of data. In the years to come the shift to more bandwidth will transform online news.

The Online Appeal

What attracts people to online news? One appeal is convenience. Part of the rise in news consumption online is occurring at work, a place where in the past people generally did not have the time or means, or found it unacceptable to get news.

A May 2003 study by the Online Publishers Association found that 62 percent of at-work Internet users visited a news site in a typical week. (A Jupiter survey in July 2003 found that a quarter of all people followed breaking news at work. Roughly half of the respondents did not have online access, so of those online, the figure would be closer to 50 percent).⁹

This, as online journalists are quick to point out, is essentially a new group of news consumers. Previously, most news consumption occurred largely at home, at morning and night. Sitting around the office reading the newspaper was frowned upon. Sitting in the office reading news on the computer apparently is not, or in any case is not forbidden.

When people go online for news, they break down into three distinct groups, according to studies of the Pew Internet and American Life Project. About half go online to see what the latest headlines are. Indeed, many online news operations say their “prime time” is the period from 1 to 3 p.m., when people are returning to their jobs after lunch or a mid-day activity. About 30 percent pursue news online after they have encountered it while doing something else online (for instance, checking out information on a portal and seeing the news displayed on the home page), and the rest are pursuing information about a story they have already heard about from another media source.¹⁰

Cannibalization of Old Media?

If Web usage does continue to grow, including going online to get the news, it raises a fundamental question: Will the Web kill old media? One longstanding worry among traditional news producers, particularly newspapers, is the fear that as more people turn to online news, it will sharply accelerate the pace at which their audience in the old media will shrink. Research in this area, though, suggests that the threat of technology may not be so cut and dry.

In 2002, nearly three-quarters of users (72 percent) said that they spent the same amount of time reading print newspapers today as they did before they began reading news online, according to Jupiter Research. Less than a quarter (22 percent) reported spending less time than before and a few, 3 percent, even said they spent more.¹¹

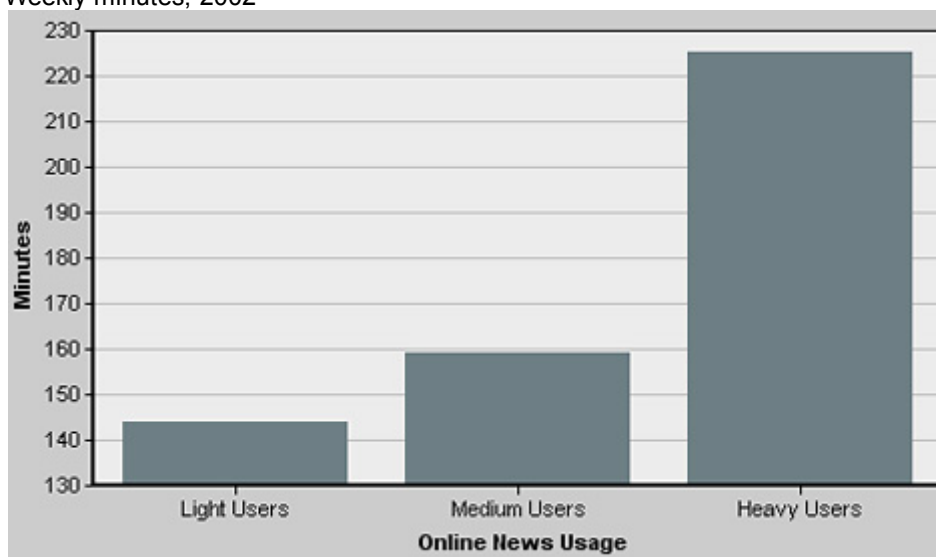
A similar pattern holds true for print magazines.¹²

The Web may be having a greater negative impact on television news, but it still may not be as much as some people think. In the Jupiter study, 36 percent of Internet users indicated that their television viewing time has decreased since going online, 14 percentage points more than for newspaper. About 61 percent said it was the same and 2 percent said it increased.¹³

A 2000 survey from the Pew Research Center for the People and the Press also found that those who regularly went online reported watching less network television news than two years earlier.¹⁴ Fewer watched television news overall, and those who did watched less of it. Meanwhile, viewing among those who did not go online was unchanged.

Amount of Time Online News Users Spent Reading Newspapers, 2002

Weekly minutes, 2002



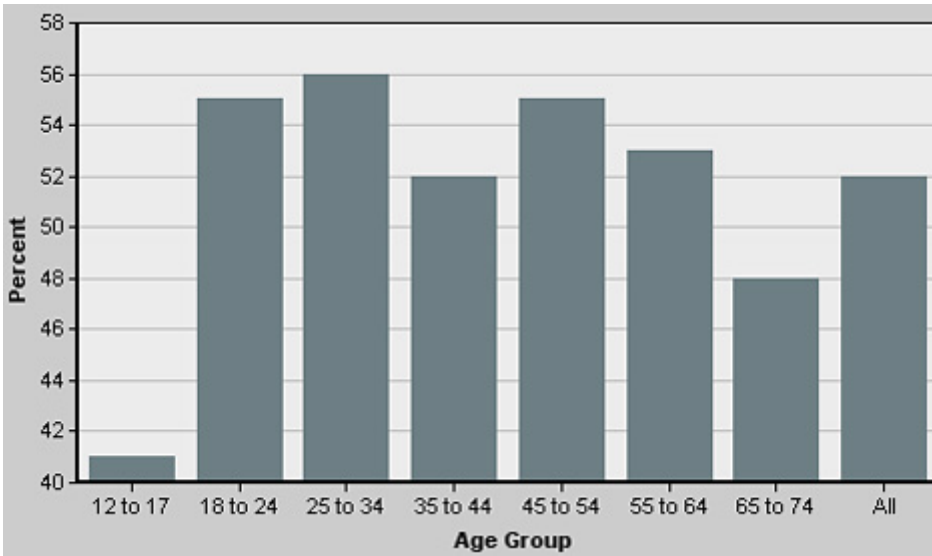
Design Your Own Chart

Source: UCLA Center for Communication Policy, “The UCLA Internet Report – Surveying the Digital Future,” January 2003; PEJ Research

Light use is under 60 minutes a week, medium is 60 to 119 minutes, heavy is 120 minutes or more.

At the same time, however, the Web may be attracting young people to news who have not gravitated to more traditional media. While television and newspapers have been struggling to find ways to attract younger viewers and readers, more than 55 percent of Internet users aged 18 to 34 were getting news online in a typical week in 2002. 15

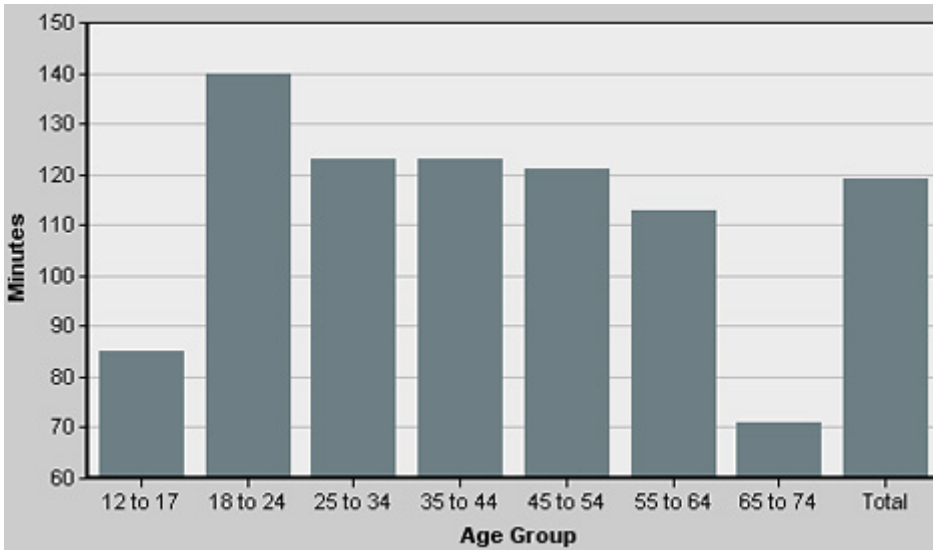
Percent Of Internet Users Accessing News in a Typical Week
By age group, 2002



Design Your Own Chart

Source: UCLA Center for Communication Policy, "The UCLA Internet Report – Surveying the Digital Future," January 2003; PEJ Research

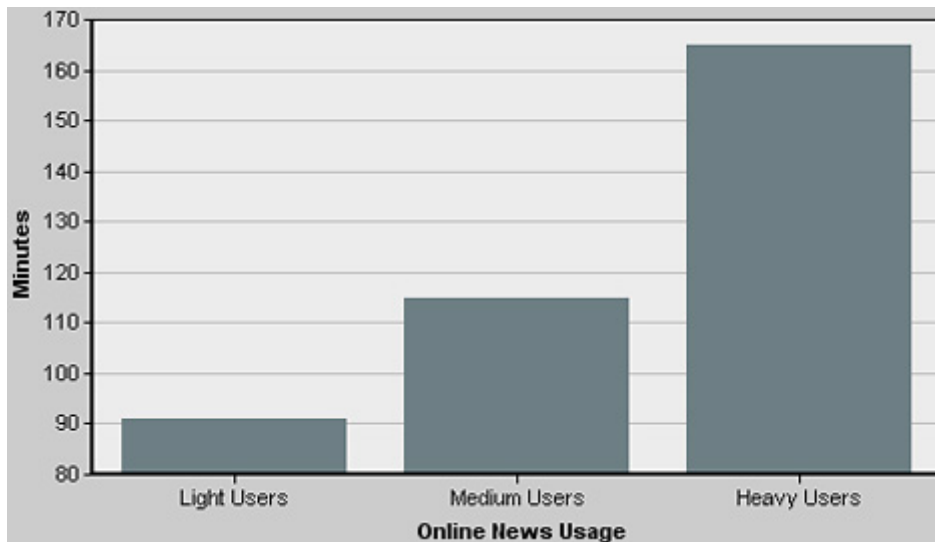
Minutes Spent Reading Online News Weekly
By age group, 2002



Source: UCLA Center for Communication Policy, "The UCLA Internet Report – Surveying the Digital Future," January 2003; PEJ Research

Amount of Time Online News Users Spent Reading Magazines

Weekly minutes, 2002



Design Your Own Chart

Source: UCLA Center for Communication Policy, "The UCLA Internet Report – Surveying the Digital Future," January 2003; PEJ Research

Light use is under 60 minutes a week, medium is 60 to 119 minutes, heavy is 120 minutes or more.

The data from UCLA add another dimension to understanding the question of cannibalization. They suggest that the Web does not change the basic nature of a person's news consumption. People generally can be put into one of three categories – heavy, medium or light news consumers. 16 According to the UCLA data, heavy consumers of online news are also heavy consumers of newspapers. They read newspapers for an average of 225 minutes a week, a full 10 percent more than the average of online and non-online users combined (which is 201 minutes per week).

Similarly, medium consumers of online news report midlevel usage of newspapers (159 minutes per week). And light consumers of online news are light consumers of newspapers (144 minutes per week, 28 percent less than the overall average). The Web didn't change their behavior.

Thus the question of whether the Internet is cannibalizing or supplementing other media is complicated. The heaviest users online are also heavy users of old media. And while some substitution is going on, getting people interested in news online could also get them interested in news elsewhere.

All this has implications. It suggests, we would theorize, that news executives perhaps should be less worried about one medium cannibalizing another and more worried about making the news more engaging, relevant and interesting generally, and making their advertising and sponsorship strategies more valuable to the people paying for their products.

At least for now, people spend less time getting news online than they do getting it from other mediums. People report spending roughly two hours a week acquiring news online, a full hour less than they spent reading newspapers, and nearly half an hour less than they did reading magazines. Online news consumption appears to be a way of getting certain kinds of news – perhaps updates, news pertaining to work, looking at something a co-worker has mentioned – but it may be a different kind of consumption than for newspapers and magazines. If that inference is correct, it may be another sign that the mediums may complement each other.

Where People Go Online for News

The other major audience trend in online news is that there already appears to be a shakeout in popularity among sites.

Pinning down where people go is complicated. But the best reckoning suggests not only that the big sites are getting bigger in terms of audience, but also that the very biggest are becoming runaway winners.

Blogs

The structure of the Web allows all people with Internet connections to post their own site with their own observations, which has resulted in the birth of millions of Web logs or "blogs," which can be periodically updated Web pages containing a single author's thoughts. For many people, this is the most exciting part of online journalism, the promise of the Web come to life.

Measuring the total number of blogs is something of an impossible task. The number is certainly in the millions, thanks to easy access to hosting services and home pages. Perseus Development Corp., an Internet survey software company, estimated that the number of blogs on blog-hosting services to be 4.12 million. While this number is staggering, Perseus also estimated that 66 percent of these were abandoned. A quarter of all these blogs were only used once. Just 2.6 percent of the blogs (around 100,000) were updated weekly. Of the active blogs, only 10% linked to a traditional news site. And who is the average blogger? Perseus found that more than half (52 percent) of bloggers were teenagers and 40 percent were people in their 20s. 17

On the other hand, this is a broader definition of bloggers than some have in mind. In some cases yesterday's influential print columnists are today's bloggers. Journalists like Mickey Kaus (formerly of *The New Republic*), Howard Kurtz (of *The Washington Post*), Virginia Postrel (former editor of *Reason*) and Rich Lowry (editor of *National Review*), are people whose blogs are often cited by the old media and thus whose influence reaches much farther than their direct audience. The Web log culture is fascinating and still evolving.

Whether it will become a serious online presence and influence on journalism remains unclear. Several panelists at the Online News Association's 2003 conference predicted that 2004 would be the year of blogging. 18 At this point, though, the hard data suggest that its influence, like journals of opinion in print such as *The Nation* or *The Weekly Standard*, will be more intellectual than commercial. In 2003, many political analysts credited conservative blogs for playing a role in the resignation of Senate Majority Leader Trent Lott when the mainstream press did not do much with the story of his comments in favor of past segregation. Whether blogs come to define the Internet or represent only a small but appealing aspect of it, is still a question .

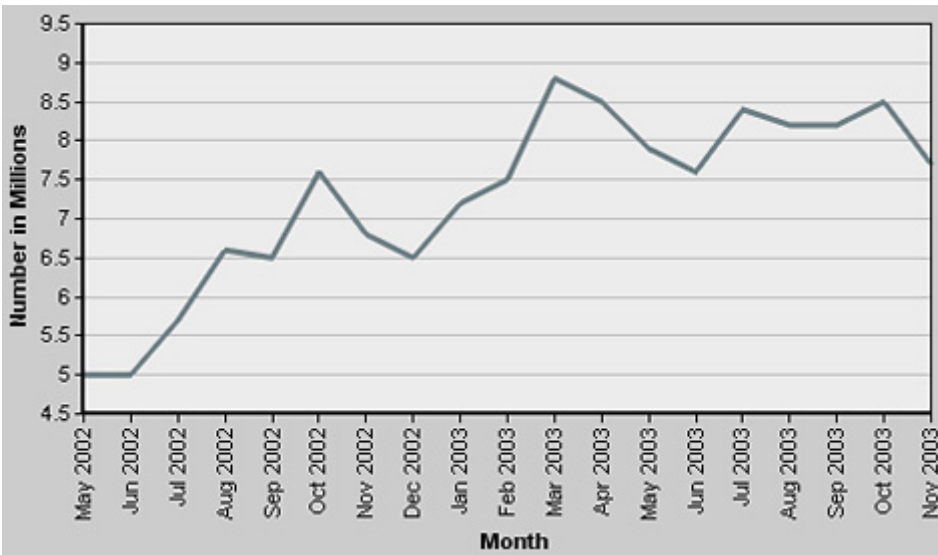
Top Sites

In contrast with the young and transitory nature of these 100,000 active bloggers, the biggest news sites appear to be stable and growing rapidly.

According to Nielsen//NetRatings, traffic on the top 20 news sites on the Web grew by 70 percent from May 2002 to October 2003. That is far greater than any of the reported increases in either online users overall in 2003 or the percentage of those users who were going to all news sites. Many sites saw increases in visitors between the last six months of 2002 and the first six months of 2003. The Web sites of the cable news channels saw their audience sizes grow, Fox News by 45 percent, MSNBC by 21 percent and CNN by 7 percent. Yahoo and *The Washington Post* each had a 12 percent increase. Increases also occurred at the local level: Hearst's combined Web site traffic increased 18 percent and Gannett's rose 6 percent. 19 The fact that traffic to these sites is swelling has a bearing on the economic side, too. As these sites draw sizable audiences, they will attract more advertising dollars.

In October 2003, the top 20 sites drew an average of 8.5 million "unique visitors" – that is, 8.5 million individuals – per site. And the biggest of the big do even better. The two most popular sites for news, CNN and MSNBC.com, each attracted more than 20 million unique visitors in October. The next most popular news Web sites, Yahoo and AOL, attracted 17 million and 16 million a month, respectively. Some online executives say that their internal audience numbers are even higher, in part because at-work users are understated in the online audience ratings.

Average Monthly Unique Visitors for Top 20 News Web Sites
May 2002 Through November 2003

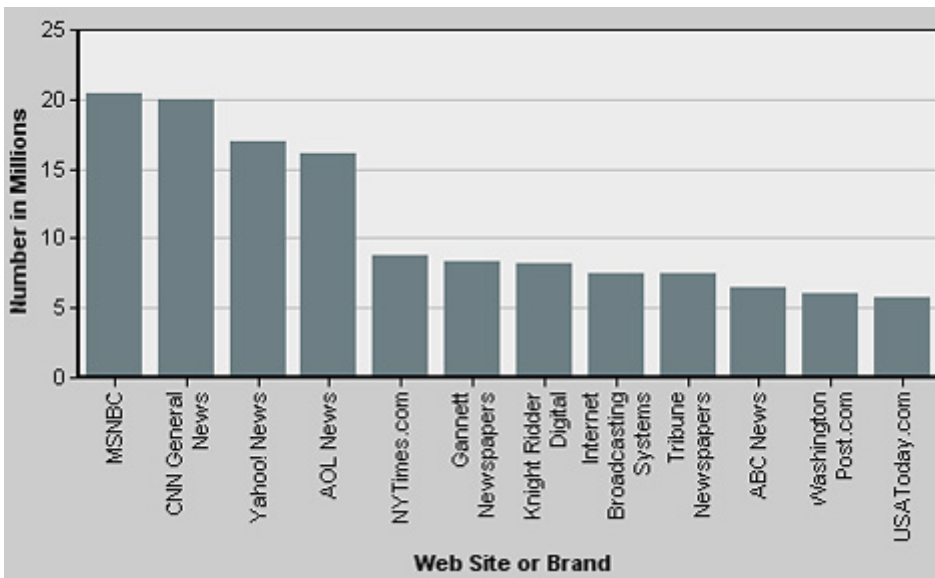


Design Your Own Chart

Source: Nielsen//NetRatings, Editor and Publisher Online

Top News Web Sites

By average monthly unique visitors, January through October 2003



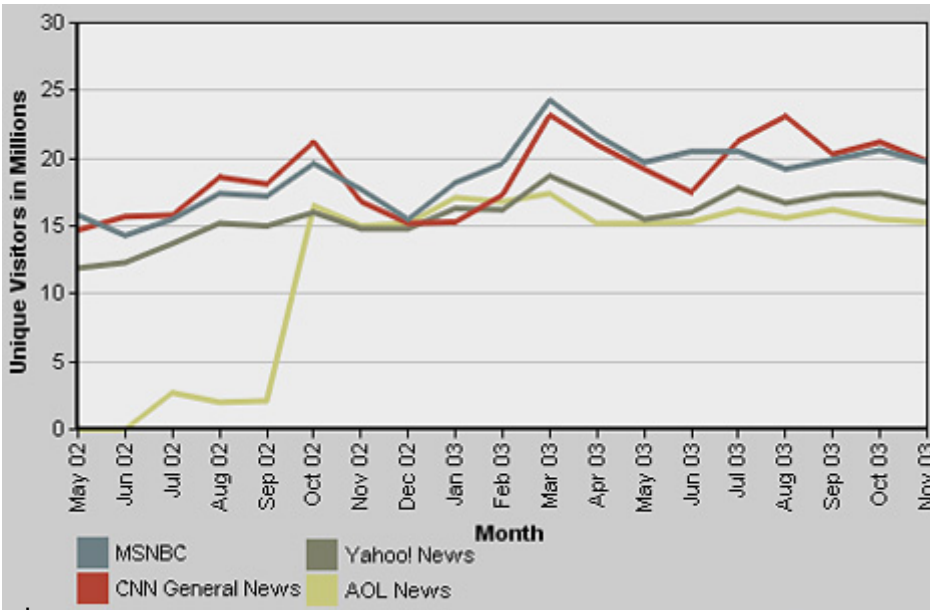
Design Your Own Chart

Source: Nielsen//NetRatings, Editor and Publisher Online

Knight Ridder figure does not include January through March; Tribune figure does not include January and February.

After the four biggest sites, there is a massive dropoff. The fifth site on the list averages half as many visits as AOL. And most of what makes up the rest are not single Web sites but combinations of various Web sites by a single owner (Gannett's 99 local newspapers or the combined sites of the Knight Ridder newspapers, for instance). After the big four, indeed, only two others on the top 10 list are actually individual sites, those of The New York Times and The Washington Post.

Top Four Online News Sites by Unique Visitors
 May 2002 Through November 2003



Design Your Own Chart

Source: Nielsen//NetRatings, Editor and Publisher Online

Top 10 is based on average monthly unique visitors for the first 11 months of 2003. Blank spaces indicate that a site did not appear among the top 20 news sites for that month.

In 2004, these top sites are poised to see continuing gains in audience as they pour resources into coverage of the political year. These sites are turning to a variety of tools, some unique to the web-including candidate backgrounders, access to voting records, matching users views to the candidates, allowing users to compare candidates by issue, and more during the presidential campaign. 20

Time Spent

When it comes to time spent, the list of the top four sites is slightly different than the top four in usage. The top four sites – The New York Times, Fox News, CNN and AOL – are consistently those that are able to keep visitors the longest, an average of over 29 minutes a month per unique visitor. The average for the rest is just under 19 minutes a month. 24

Conclusion

The Web is journalism’s growth area. More people are going online everyday, and while the growth rate may be slowing, as is inevitable with new technologies, growth still is predicted to continue, and with it, so is consumption of news online. This may be causing some erosion in the use of old media, but it is not across the board. At least so far, the Internet may be hurting television viewing more than newspaper and magazine reading. Instead, the bigger question about the Web has to do with economics.

Footnotes

1. The Pew Research Center for the People and the Press found just over 60 percent of people 18 and over went online in 2002. When people as young as 12 years old are added to the total, a UCLA survey put the number in 2002 at 71 percent.

2.The first number comes from Pew Research Center for the People and the Press, “Public’s News Habits Little Changes by Sept. 11,” June 9, 2002, p. 70. Adults over 18 were surveyed. The second number comes from the UCLA Center for Communication Policy, “The UCLA Internet Report – Surveying the Digital Future,” January 2003, p.18. Respondents were 12 and older. In both cases, the data were weighted against census demographics in order to estimate usage for the entire population. See also comScore, “comScore Media Metrix Announces Top 50 U.S. Internet Property Rankings for September 2003,” press release, October 21, 2003. comScore derives its numbers on overall Internet through a continuous telephone survey using a random digit dialing (RDD) method.

3. Pew Internet and American Life Project, tracking surveys, June 2003; UCLA Internet Report – Year Three, p. 18. Jupiter Research, “Individual User Survey,” June 2003, www.jupiterresearch.com

4. We calculated the possible range of online news users by starting with comScore's September 2003 online universe estimate of 150 million Internet users. News use estimates range from 55 percent (Jupiter Research) and 70 percent (Pew Internet and American Life Project), which would put the number of online news consumers at between 83 and 105 million).

5. Pew Internet and American Life Project, tracking surveys, June 2003; UCLA Internet Report – Year Three, p. 18. Jupiter Research, "Individual User Survey," June 2003, www.jupiterresearch.com

6. Pew Internet and American Life Project, tracking surveys, June 2003

7. Pew Research Center for the People and the Press, "Public's News Habits Little Changed By Sept. 11," June 9, 2002, p. 70; 2003 UCLA Internet Report – Year Three, p. 18, Jupiter Research "Jupiter Consumer Survey Report: Technology in the Home," 2003, www.jupiterresearch.com

8. David Wilkerson, "Broadband, digital boost cable in Q3," CBS MarketWatch, November 19, 2003

9. Online Publishers Association, "At Work Internet Audience Media Consumption Study," May 2003, www.online-publishers.org; Jupiter Research, "The At-Work Audience: Programming for the Office," 2003, www.jupiterresearch.com

10. Pew Internet and American Life Project Research, e-mail from Lee Rainie, director, November, 21, 2003.

11. Jupiter Research, "Individual Consumer Survey," June 2003, www.jupiterresearch.com

12. Heavy online news users report spending nearly three hours a week (165 minutes) reading magazines, 27 minutes more than most people, according to the data. Medium and light online news users similarly reflect their magazine habits.

13. Jupiter Research, "Individual Consumer Survey," June 2003, www.jupiterresearch.com

14. "Internet Sapping Broadcast News Audience," Pew Research Center for the People and the Press, June 11, 2000, P. 1. In 1998, 59 percent of both Internet and non-Internet users reported watching nightly television network news on a typical day. In 2000, the percentage of Internet users who regularly watched had dropped to 53 percent. In addition, the number of Internet users who reported watching at least half an hour a day of network television news dropped from 48 percent in 1998 to 40 percent in 2000. Among non-Internet users, Pew found virtually no dropoff in the amount of time spent with network news.

15. 2003 UCLA Internet Report – Year Three; PEJ Research. The UCLA Internet Report is an annual survey of 2,000 households in the United States. First conducted in 2000, the sample includes both Internet users and nonusers. For more information and a copy of the 2003 report "Surveying the Digital Future," visit the UCLA Center for Communication Policy at www.ccp.ucla.edu.

16. Most people fall into one of three categories of news consumption according to many researchers—news junkies, moderate users and light users of the news. The Web attracts all three. As of 2002, more than a third (39%) of the online news audience were news junkies, spending more than two hours a week online getting news. Roughly the same percent (38%) reported medium usage (60-119 minutes) and only 23% said they were light users (less than 60 minutes a week).

17. Perseus Development Corporation, "The Blogging Iceberg: Of 4.12 Million Hosted Weblogs, Most Little Seen, Quickly Abandoned," white paper. 2003, <http://www.perseus.com/blogsurvey/thebloggingiceberg.html>

18. 2003 Online News Association Annual Conference, November 15, 2003, Evanston, Illinois.

19. The list of the top 20 news and current events Web sites comes from Nielsen//NetRatings, and is displayed on the Editor and Publisher Online site. The rankings are calculated through monitoring the usage of a panel of Web users to determine the sites with the greatest number of unique visitors. Nielsen//NetRatings classifies news Web sites according to the media companies' preferences; thus, some newspaper Web sites are counted separately in these rankings while others are aggregated for a single ranking for the entire chain. Several of the entries on the Top 20 list are actually groups of sites owned by the same company.

20. Mark Glaser, "Best Coverage of the US Elections," Online Journalism Review, December 11, 2003. Available online at: <http://www.ojr.org/ojr/glaser/1071184205.php>

21. Nielsen//NetRatings, "Round-the-Clock News Coverage of the War in Iraq Draws Surfers Online, According to Nielsen//NetRatings," press release, March 27, 2003

22. Pew Internet and American Life Project, "The Internet and the Iraq War," April 1, 2003, p.5

23. Nielsen//NetRatings, "American Web Surfers Boost Traffic to Foreign News Sites in March," press release, April 24, 2003

24. Nielsen//NetRatings, "Top 20 News and Current Events Sites" data, Editor and Publisher Online, www.editorandpublisher.com

25. Nielsen//NetRatings, "Top 20 News and Current Events Sites" data, Editor and Publisher Online, www.editorandpublisher.com

26. Nielsen//NetRatings, "Top 20 News and Current Events Sites" data, Editor and Publisher Online, www.editorandpublisher.com

Economics

Economics

Many Web sites have now reached a point where they can claim profitability.

That good financial news, though, must be put into perspective. First, the money being made on the Internet is still a relatively small part of company income. Second, how much of a profit center it is depends to a certain extent on how costs are accounted for, and many news Web sites do not pay for the cost of supplying much of their content.

It will still be years until the Internet becomes a major economic engine that is paying for the journalism it produces rather than piggybacking off its older media parents.

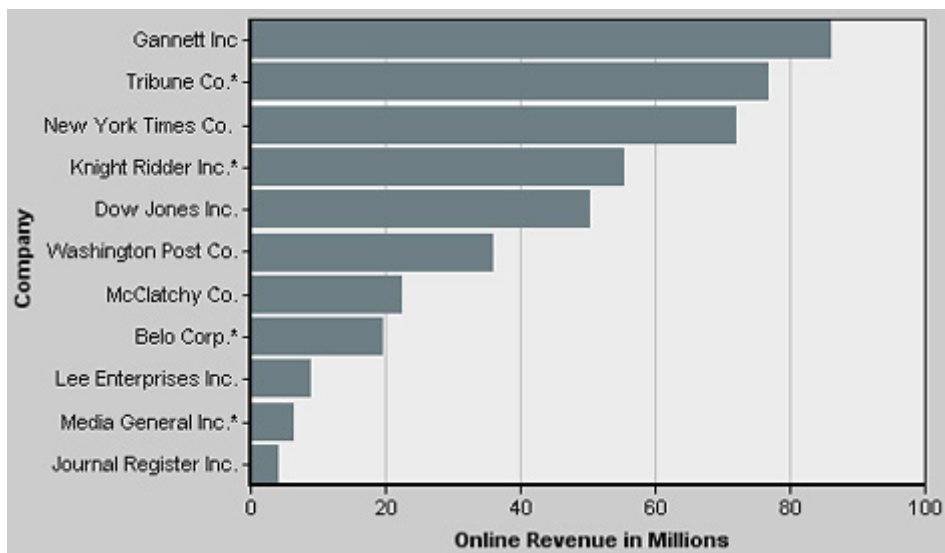
Still, the Internet is journalism's growth area, at a time when other areas are shrinking in audience, which is putting inevitable pressure on economics and quality. The growth rates for revenue and profit are high, and at the close of 2003, the projections for 2004 and beyond were aggressive. Some of this optimism stems from a belief that companies will become savvier at using the data that they collect from users, both through requiring registration and by tracking people's actual use of the site. As Web publishers learn more about their users, they will be able to increase their revenue from advertisers willing to pay more to reach specific demographics. ¹

Revenues

It is important to recognize that the Web represents only a small part of the overall revenue of these companies. The numbers, realistically, would be barely worth mentioning for these corporations except for the perceived potential growth of the sector. In a report, "What Newspaper Web Sites Earn," Borrell Associates examined the 2002 online revenues from the 11 largest publicly-traded newspaper companies. ² These online revenues on average accounted for only 2 percent of total revenues of the companies. Dow Jones, which charges for online access, had the highest percentage with 3.2 percent. ³ Even if the online revenues continue at robust rates of growth, it should be kept in mind that it will be some years before they make up a significant portion of company revenue. ⁴

Even a comparison of newspaper groups' online revenues to their newspaper revenues demonstrates online divisions' relatively small contribution. At the New York Times, online revenues were only 4 percent of newspaper revenues in the third quarter of 2003.

Online Revenues for Newspaper Companies, 2002



Design Your Own Chart

Source: Borrell Associates, "What Newspaper Web Sites Earn," April 2003, p. 8

*Includes revenue from non-Newspaper related sites, such as television Web site revenues and other Web ventures. New York Times Co. includes the Web sites for the New York Times and the Boston Globe. Gannett figure does not include the USA Today Web site.

Keeping this in mind, however, the rate of growth is impressive-and important. Except for Dow Jones, each of the 11 newspaper companies reported a double-digit increase in revenue for their online operations in 2002, according to Borrell Associates. Belo led with a gain of 49 percent. Gannett, Tribune, Knight Ridder, Lee, and Media General all had increases of at least 25 percent, and The Washington Post reported 18 percent growth. 5

The projections for 2004 are that such growth rates will continue and perhaps increase. The Online Publishers Association said that in a survey of 26 leading media companies, which included many newspapers, 2003 third-quarter advertising revenue was 46 percent higher than in the third quarter of 2002. 6 Even if 25 percent growth persists, newspaper companies will double their online revenues by 2005 over 2002 levels and triple them by 2007.

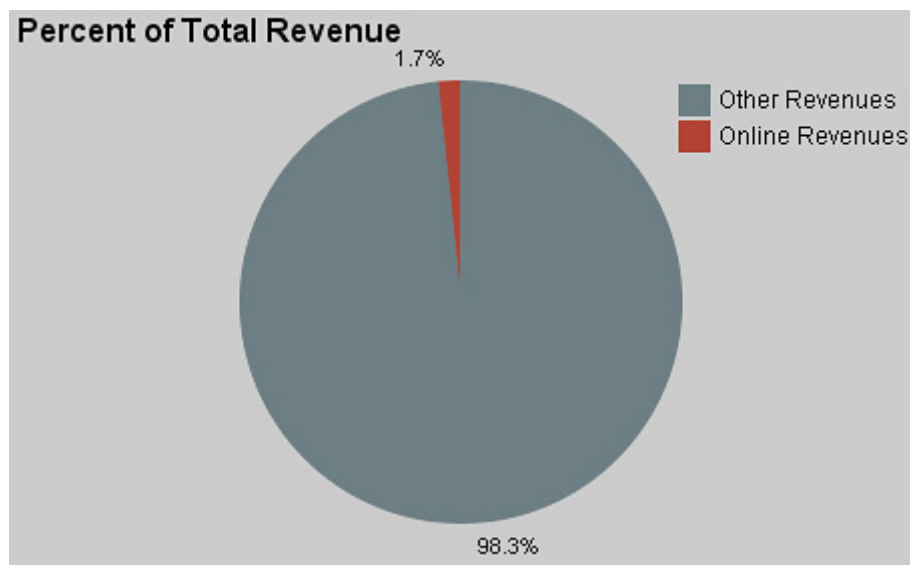
There are suggestions that this impressive rate of growth is true at other Web outlets. Richard Deverell, head of BBC Interactive, remarked in 2003 that BBC.com was getting 3 million readers every day and was growing by 50 percent a year, while BBC television was getting 10 million viewers a day and was declining by 5 percent a year. 7

While the revenue model of the news on the Web is still emerging, the picture is clearly improving.

One factor is classified advertising. McClatchy reported an 80 percent increase in 2003 online classified revenue over 2002. 8 WashingtonPost.com, on the other hand, has reported over 60 percent growth in revenues excluding classified advertising, and 30 percent overall. 9 Classified revenue, in other words, is not growing at the same rate as other advertising sectors.

Online Revenue as Percent of Total Company Revenue, 2002

For 11 public newspaper companies



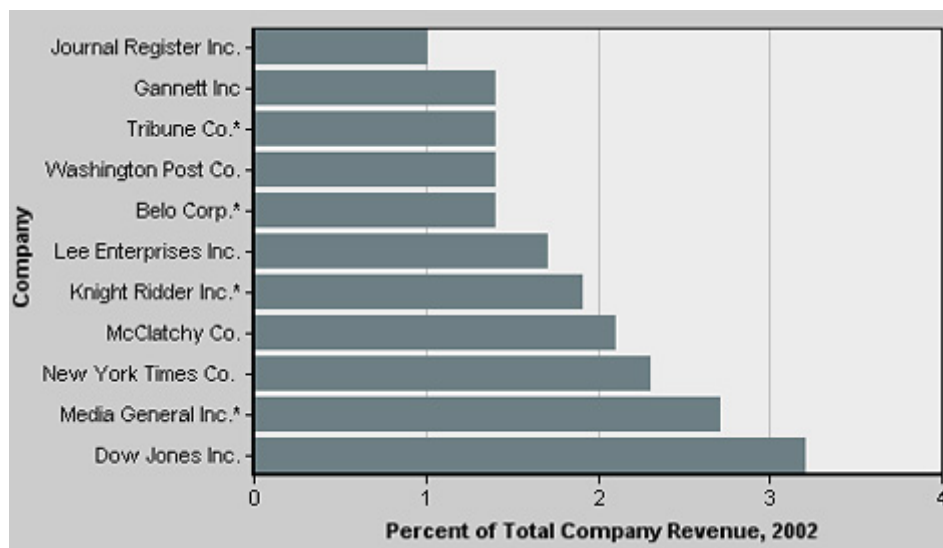
Design Your Own Chart

Source: Borrell Associates, SEC Filings
Includes Media General Inc., Lee Enterprises Inc., Belo Corp., McClatchy Co., Washington Post Co., Dow Jones Inc., Knight Ridder Inc., New York Times Co., Tribune Co., and Gannett Inc

Profitability

Getting a grip on the next part of the economic picture, profitability, is a little harder. Borrell does not collect profit figures, only revenue. Even where there are numbers, moreover, profitability is hard to gauge since Web sites require substantial investments as seed money to design and operate them. So, while a site or online division may be making money on current operations, the startup costs have to be considered when calculating the Web's full impact on the company.

Revenues and Profits for Select Newspaper Online Divisions 2000 to 2002



Design Your Own Chart

Source: SEC Filings

New York Times Digital does not include the New York Times Regional Group

The evidence suggests, however, that profits are improving. Some bigger companies, indeed, are now able to argue they have crossed the breakeven point. ABC News announced that its online division turned a profit in its 2003 fiscal year. ¹⁰ For newspapers, four large corporations report operating profits for their online divisions to the SEC. The online operations of two of these companies – the Tribune Co. and The New York Times – became profitable for the first time in 2002, after incurring large losses in 2000 and 2001. Two others, Knight Ridder and the smaller Belo, continued to approach profitability in 2002 but still had losses. It may be that The Times and the Tribune Co. have been able to leverage the size of their individual newspaper audiences with advertisers looking to get a good price for as many eyeballs as possible. Chains with smaller newspapers may have to work harder in order to collect ad dollars.

Some have raised the concern that even these profit numbers and, to some extent revenues, may be inflated through complicated accounting procedures. Newspapers often sell print and online classified advertising as a package deal. It is then up to each company to decide how much of each classified dollar belongs to print and how much to online. By shifting around the distribution, online divisions can appear more or less profitable. “There’s no hint here of Enron WorldCom-style accounting,” Dominic Gates wrote in the *Online Journalism Review*. “It’s not crooked – it’s just complicated with lots of room for fiddling with the numbers.” ¹¹

One thing is clear, however. As the newspaper industry watches shrinking readership, declining circulation and stagnant advertising revenues, the investment in the Web represents, to date, the industry’s primary investment in the future.

Different Economic Models on the Web

At this point, there is no established financial model for online news divisions. Will the revenue come more from advertising, as it does in newspapers in TV, or more from subscriptions, as it does in newsletters, or from a combination? Many companies are trying different approaches with their sites in hopes of finding a sure formula. To understand the diversity of models springing up, consider the sites of three of the largest print dailies, The New York Times, The Wall Street Journal and The Washington Post.

The New York Times

The New York Times Web site is operated by a subsidiary of the New York Time Company, New York Times Digital (NYTD), which also operates The Boston Globe’s boston.com. The Times site remains mostly free for users, as long as they register and provide some personal information. By requiring registration, NYTD is able to track users’ movements through the site. These movements are then used as leverage with advertisers, allowing them to target their most desirable consumers.

Unlike most newspapers, NYTD does not acquire its content free. The online division purchases content from the print division for the amount of 10 percent of the NYTD’s revenue. In turn, NYTD draws revenue from two main streams: selling advertisements on the site and licensing Times content to electronic databases. The Times has promoted its

online advertising opportunities as a way to reach a desirably affluent audience of about 10 million unique visitors each month. To help grab users' attention, the site sells "surround sessions" where advertisers can purchase all the advertising spaces on a screen, ensuring that users will only see their advertisements. 12

Not all of The Times's Web site is free, however. Users must pay for such special content as crossword puzzles (\$34.95 for an annual subscription). In a larger move in May 2003, The New York Times site started charging for its popular e-mail alerts service, News Tracker. For \$29.95 a year, subscribers receive e-mails of Times content on up to 10 topics. Before the fee was imposed, the service had 500,000 readers. By August 2003, the service had 20,000 subscribers. 13

The mix of streams has resulted in profits for NYTD. For the third quarter of 2003, the division announced profits of \$5.7 million on revenues of \$21.8 million (the New York Times Company as a whole had revenues of \$759 million). About 71 percent of NYTD's revenue comes from advertising and the rest from electronic licensing of Times content and other services. 14

The Wall Street Journal

The Wall Street Journal follows a different route to reap its revenues. Like The Times, it sells advertisements on its pages. But anyone who wishes to read The Journal online must pay an annual subscription. Even those who already subscribe to the Journal in print form must pay for it, though at a lower rate.

The Journal, owned by Dow Jones, remains one of only a few – and the only major newspaper – to charge for access. While not uncommon with magazines and the trade press, as of January 2003, Editor and Publisher reported, only 21 daily newspapers were employing the subscription model. 15

The Journal charges \$79 a year to subscribe online (\$39 for print subscribers), or \$6.95 a month. As of September 2003, the site had 686,000 subscribers, which represent the bulk of the site's revenue (approximately \$16 million in the third quarter of 2003). Unlike the Times, the Wall Street Journal's site does not benefit from database licensing (charging online archive companies for access to older articles); this activity belongs to another division of Dow Jones, which also makes money online through the Dow Jones Newswire. 16

Many newspapers have feared that charging users would chase them away. Yet Editor and Publisher's Steve Outing predicts that "[w]hat is likely is that an increasing number of news sites – including the most prominent ones – will create more and more 'premium' content, for which they will charge fees to view." 17 Outing warns that such a system has negative effects since this premium content falls below the radar of search engines, a key magnet for drawing traffic. One added benefit enjoyed by The Journal has been being able to add each of its online subscribers paying the full \$79 a year subscription fee to its overall ABC circulation total, which led to a 290,000 jump in circulation between 2002 and 2003. 18

The Washington Post

The Washington Post represents a third online approach. Unlike the New York Times's push for targeted advertising and The Wall Street Journal's insistence on a subscription, the Washington Post's online site relies on general advertising, including classifieds, in order to produce its revenue.

The Post Web site is run by a subsidiary of the Washington Post Company called Washingtonpost.Newsweek Interactive (WPNI), whose offices are across the Potomac River from Washington in Arlington, Virginia. The site does not charge a subscription or ask users to register, though it does ask for some basic demographic information. It also does not have to pay for content.

As a result, nearly all of the revenue comes from advertising. Revenue for WPNI, which mainly comes from The Post site, was \$12 million for the third quarter of 2003, an increase of 32 percent over the third quarter of 2002. A large chunk of this revenue, 40 percent, came from classified advertising, which The Post has aggressively sought to increase with its WashingtonJobs.com section. 19

In its efforts to generate revenue from the Web, the Post defies long-established standards that govern the print product. For example, the newspaper would not dare run advertising on its front page or next to the editorials, yet ads greet users on the Web in both places. This has become the norm on many advertising-supported Web sites, as newspaper sites develop unique norms on what is an acceptable space for advertising.

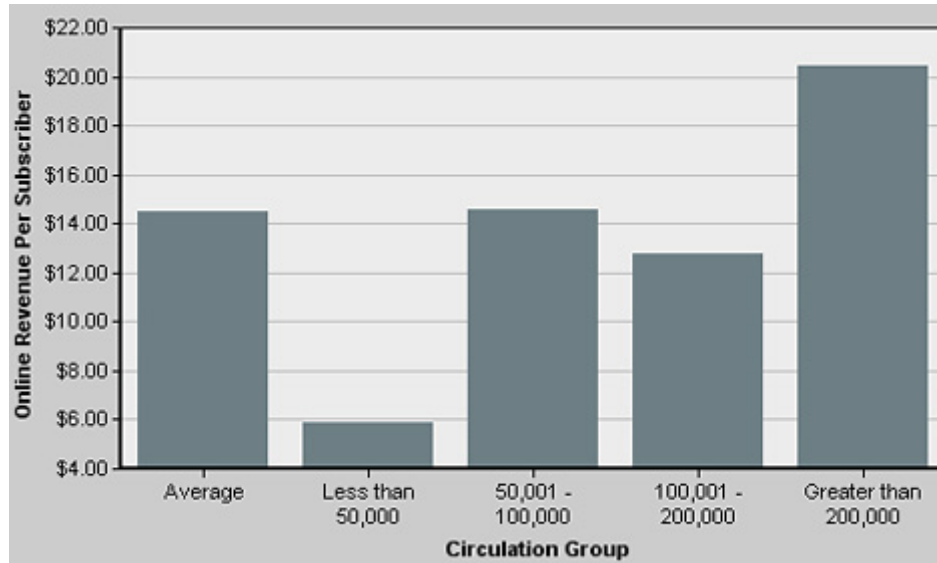
Making Ends Meet

The model that online news sites follow may depend in part on the size of the publication. For now at least, the larger the paper, the more remunerative its online division is. Borrell found that the largest newspapers (those with circulations of

more than 200,000) took in nearly four times as much revenue as the smallest dailies after accounting for differences in size.

Indeed, the smallest papers (those with circulations of less than 50,000) average less than \$6 in online revenue for each of their print subscribers. Newspapers with circulations of more than 200,000 were able to collect more than \$20 in online revenue per print subscriber. Revenues for newspapers between 50,000 and 200,000 fell in the middle. Overall, the sites in the study averaged \$14.49 in online revenue per unit of print circulation.

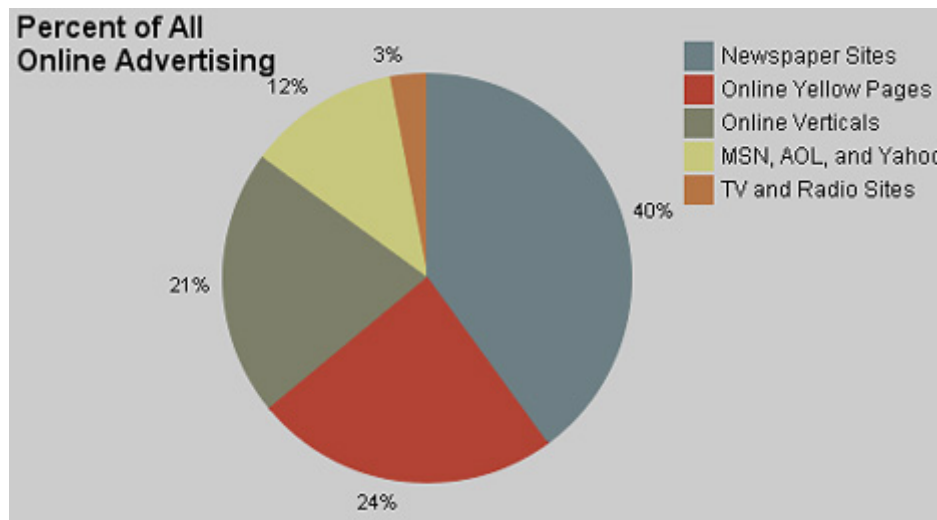
Newspaper Online Revenue Per Subscriber, 2002



Design Your Own Chart

Source: Borrell Associates, "What Newspaper Web Sites Earn," April 2003, p. 12
Based on 246 newspapers.

Where Local Online Advertising Goes, 2002



Design Your Own Chart

Source: Borrell Associates, "What Newspaper Web Sites Earn," April 2003, p.5

In the latest year for which data were available, 2002, newspaper Web sites procured a 40 percent share of online local advertising. The next largest slice belonged to online yellow pages, with 24 percent. Yahoo, AOL and MSN got 12 percent. Local television and radio sites got 3 percent. 20

Newspaper publishers' greatest concern comes from the 21 percent of local advertising dollars going to the so-called vertical companies online such as eBay, Monster.com, and AutoTrader.com. Borrell Associates labels these new

companies as “classified killers” because they eat away at the robust income that newspapers have enjoyed for so long. As they are in print, classifieds are an important revenue stream online. The McClatchy newspaper company, for instance, draws 60 percent of its online revenue from classifieds. 21 In an already shallow pool of online advertising dollars, newspaper Web sites are having to learn how to compete to a much greater degree than they have had to in print.

There is another problem. If the newspaper Web sites lose substantial portions of online classifieds, they seem likely to lose them out of their newspapers as well. Why would someone who chose Monster.com over the local newspaper for an online classified ad then turn around and make a separate purchase of a newspaper classified?

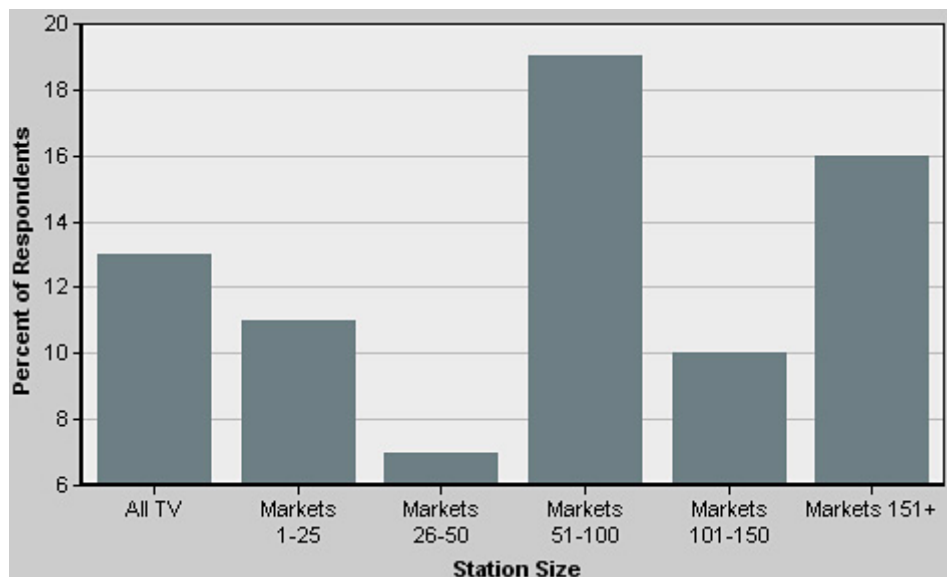
The problem has a societal as well as business implication. If substantial portions of classified advertising shifts away from paying for journalism, the political and social impact could be enormous. The resources of the most important newsgathering organization in every town in America could shrink. Instead of endeavoring to cover the totality of their communities, newspaper companies, in whatever delivery form, would be forced to be much smaller, targeted newsgatherers, with smaller staffs and more limited news agendas. Newspapers, in that sense, would move more in the direction of local television.

Local TV

Television stations do not face the same threat as newspapers of losing large advertising sectors. But the transition from broadcast to online content is more difficult than it is for newspapers, for which text on paper simply can become text on screen. And the Web is an even more paltry part of television company revenue at this point. The national television networks and cable channels have been able to build popular sites, but while most local television stations now have Web sites and are accustomed to adding new content quickly, they have difficulty competing with the depth of the local newspaper.

Who's Making a Profit on Local News Web Sites, 2002

Survey of station managers



Design Your Own Chart

Source: RTNDA/Ball State Survey by Bob Papper, RTNDA Communicator, April 2003

As part of his annual survey for the Radio Television News Directors Association, Prof. Bob Papper of Ball State University asked local television news directors if their Web sites were making money. Only 13 percent indicated a profit while 25 percent reported a loss. About 44 percent of respondents said they did not know if their sites were making money. This could indicate widespread detachment of news directors from the online activities of their stations, a theory supported by the fact that news directors in the largest markets were the most likely to be in the dark (74 percent). In the smallest markets the figure was only a third, 34 percent. As the market grows, so does the newsroom, and news directors could be somewhat more specialized in their responsibilities. Or, perhaps, many of those surveyed chose for one reason or another not to reveal the financial status.

Stations' online profitability does not seem to be in proportion with its market size. The highest percentage of news directors indicating an online profit came from the middle-sized markets. Yet news directors from both the next larger and next smaller markets were less likely to report online profits.

Many television stations turn over their sites to companies that specialize in creating television Web sites. Two of these companies – Internet Broadcasting Systems (IBS) with 65 stations and WorldNow with 143 stations – are in the Nielsen//NetRatings top 20 News Web sites list. “All IBS sites over a year old are profitable, and we are growing those margins,” the IBS chief executive, Tolman Geffs, said in an article in the *Online Journalism Review*. 22

Certainly, the television station sites' audience growth suggests the potential for profit. From September 2002 to September 2003, IBS's aggregate monthly online audience grew by 50 percent to 8 million unique visitors. In the same period, WorldNow's total traffic increased by 32 percent to 3.3 million unique visitors

In the end, the economics of news on the Web are promising but still evolving. While revenues are growing, and audiences are robust, generating big-time revenue remains a struggle and the model is unclear. While Web journalism is trying to sort out reliable ways to make money, it is also having to fend off new forms of online competition for ad dollars, such as Monster.com, that are not engaged in journalism. For now, the biggest Web sites and newspaper companies are faring best. Smaller ones may thrive in chain combinations. But in many ways, the economics of the Web might be analogous to radio in the 1920s. It is not clear yet what the industry will look like even 10 years away.

Footnotes

1. Dave Morgan, “News Web Sites: A Future Waiting to Happen,” Editor and Publisher, December 18, 2003. Available online at: http://editorandpublisher.com/editorandpublisher/headlines/article_display.jsp?vnu_content_id=2054556
2. These companies are: Gannett, Tribune, New York Times, Knight Ridder, Dow Jones, Washington Post, McClatchy, Belo, Lee Enterprises, Media General and Journal Register.
3. Borrell Associates Inc, “What Newspaper Web Sites Earn,” April 2003; Advertising Age, “100 Leading Media Companies list,” <http://www.adage.com/page.cms?pageId=1018>
4. New York Times SEC Quarterly Report, November 5, 2003. The comparison is made between the revenues of New York Times Digital (\$22 million), which operates the Web sites for The New York Times and The Boston Globe, and the revenues of The New York Times and the New England Newspaper Group (\$582 million), which includes The Worcester (Mass.) Telegram and Gazette as well as The Globe.
5. The lone exception, Dow Jones, which owns the subscription-based Wall Street Journal Web site, had only a 3 percent increase. The Wall Street Journal's lack of online growth may stem in part from the downturn in business advertising in 2003. Another factor may be its choice to follow a subscription-based Web site rather than a completely advertising-based site, which is discussed below. A third part of the explanation may be that Dow Jones is simply farther along in its development, so its growth is slower.
6. Online Publishers Association, “Quality Online Content Providers Show Substantial Third Quarter and Year-to-Date Ad Revenue Growth,” press release, November 20, 2003. Online at <http://www.businesswire.com/cgi-bin/cnn-storydisplay.cgi?story=/www/bw/webbox/bw.112003/233244978.htm>
7. Richard Deverell, comments made at the 2003 Online News Association Annual Conference, November 15, 2003, Evanston, Ill.
8. Leon Lazaroff, “Profitable classifieds poised to climb in '04,” Chicago Tribune, December 13, 2003
9. “The Washington Post Company Reports Third Quarter Earnings,” *Quote.com*, October 31, 2003. Available online at finance.lycos.com/qc/news/story.aspx?story=200310311517_PRN_DCF003
10. “ABC News Online Services Turns to Profit,” Reuters, December 18, 2003.
11. Dominic Gates, “Dubious Accounting?” *Online Journalism Review*, July 10, 2002. Available online at www.ojr.org/ojr/future/1026348767.php.
12. New York Times Web site: <http://www.nytimes.com/ads/marketing/surroundsessions/>
13. “NYTimes.com's Paid News Tracker Service Surpasses 20,000 Subscribers,” Business Wire, August 7, 2003.

14. New York Times Quarterly Report (10-Q), November 5, 2003
15. Carl Sullivan, "More Publishers Try All-Paid Web Model," Editor and Publisher, January 23, 2003
16. www.wsj.com; Dow Jones, Inc. Quarterly Report (10-Q), November 14, 2003
17. Steve Outing, "Stop the Presses!" Editor and Publisher, January 27, 2003, www.editorandpublisher.com
18. Mark Glaser, "Journal Takes Broader View of Circulation with Online Inclusion," Online Journalism Review, November 11, 2003. Available at www.ojr.org/ojr/glaser/1068601595.php.
19. Melinda Gipson, "Playing the Game to Win," Newspaper Association of America, August 2002, p. 20.
20. "What Newspaper Web Sites Earn," Borrell Associates Inc., April 2003, p. 5, fig. 1
21. "Playing the Game to Win," Newspaper Association of America, August 2002, p.7
22. Cory Bergman, "TV Stations May Finally Get the Point," Online Journalism Review, April 24, 2003. Available online at www.ojr.org/ojr/bergman/1051220842.php.

Ownership

Ownership

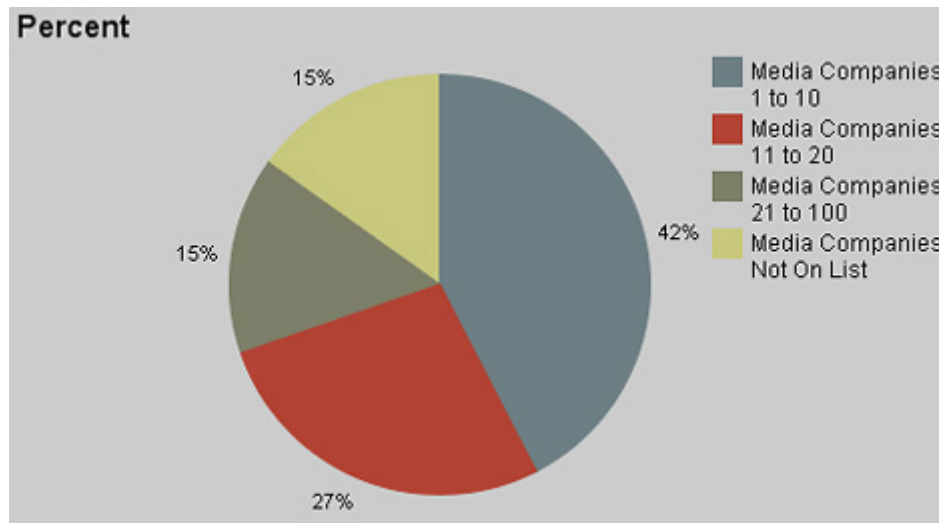
While technologically the Internet maintains its potential for open access and interactivity, when it comes to garnering large audiences, only a few succeed. And, those few are most often well-established names from other mediums.

The vast majority of the top 20 news sites are owned by big companies that make their money primarily from existing media. They have been able to leverage their brands and their resources in order to dominate online as well.

The major news sites on the Internet are not only big, but the names are familiar as well. The big companies include Time Warner (CNN and AOL), Disney (ABC), General Electric (NBC) and others.

Proportion of 2003 Top 20 News Sites Owned by the 100 Top Media Companies

January through October, 2003



Design Your Own Chart

Source: Advertising Age 100 Leading Media Company list; Nielsen//NetRatings and Editor and Publisher Online; PEJ Research

The top 100 list is determined by domestic media revenues. The top 20 Web sites are by monthly unique visitors. In the first 10 months of 2003, 26 sites appeared in the top 20 list.

In the first half of 2003, 26 different sites made it on the monthly list of the top 20 for audience. 1 Fully 85 percent of these sites (22 out of 26) have parent companies among the top 100 media companies, according to Advertising Age. 2

And most of them are the biggest of the big; 69 percent of the most popular news Web sites are owned by the 20 biggest media companies.

Close to half of the most popular Web sites (42 percent) are owned by one of the 10 largest media companies. And four – CNN, AOL, Netscape and Time Magazine – are owned by a single company, Time Warner, the biggest media company of all in revenue. (The other 10 owners include Viacom (CBS), Disney (ABC), News Corp. (Fox), Gannett, and Microsoft and General Electric (MSNBC).

A quarter of the most popular news Web sites (27 percent) are owned by companies in the next tier in size (the 11th through 20th biggest companies in revenue). These include some of the nation's bigger newspaper companies, such as the Tribune Co., Hearst, Advance Publications, The New York Times and Knight Ridder.

Yahoo, which ranked as the third most popular news site during the first half of 2003, is one of the few companies that derives its revenue chiefly from online ventures. It ranks 40th in the Advertising Age list

The 15 percent of the top sites not owned by one of the top 100 media chains includes Internet startups such as WorldNow and Internet Broadcasting Systems. It also includes older, established outlets such as the BBC and Microsoft.

And one of these companies is not as independent as one might think: Internet Broadcasting Systems counts Hearst-Argyle, Post-Newsweek and McGraw-Hill as investors.

Beyond the fact that the major players on the Internet are large and familiar media company names, perhaps the more interesting question is: What is the business strategy they are following?

The prevailing trend in the era of online news has been to create synergy. On the Web this is true not only within a corporation, but also across different companies. In this way, there can be popular news sites that produce no news of their own.

Two of the top four news sites – CNN and AOL – fall under a single owner, Time Warner. On the one hand, the company leverages its worldwide cable news brand name with CNN, which it uses for promotion as well as Web-only news and features. AOL is the opposite. It can be seen only by the nearly 25 million AOL subscribers and relies on content from a variety of other sources, both from Time Warner (CNN and Time) and from other national outlets such as ABC, The New York Times and The Wall Street Journal. ³

Yahoo news parallels the AOL model. Rather than strike out into the world of online journalism by reporting its own news, Yahoo culls from more than 100 outlets. For example, the Yahoo news page features links to Washington Post and USA Today articles. MSNBC is owned jointly by Microsoft and NBC. It also draws heavily from The Washington Post, as well as Post-owned Newsweek.

The top newspaper sites – The New York Times, The Washington Post and USA Today – supply their sites with content, using the Web as a showcase for breaking stories before they appear in the paper the following morning.

At the same time as these large media corporations are finding new ways to promote news content on the top Web sites and cementing their hold at the top of the online news world, another strong movement has been toward the personally owned blog. The nature of the Web means that anyone with a computer and an Internet connection can effectively own his or her individual news outlet. Web hosting prices are low enough that even the largest blogs can be run for less than \$500 a month. ⁴ While most blog sites go unnoticed or are quickly abandoned, some have had enough impact to offer an alternative to the mainstream news media.

The Web makes it possible for the coexistence of big media, with its resources for covering news quickly, and small media, with their penchant for opinion and even breaking stories that may escape the attention of the rest of the press.

Footnotes

1. The 26 sites are: ABC News, Advance Internet, AOL News, BBC World Service, CBS News, CNN, Cox Newspapers, Fox News, Gannett, Hearst Newspapers Digital, Internet Broadcasting Systems Inc., Knight Ridder Digital, LA Times, McClatchy Newspapers, MediaNews Group, MSN Slate, MSNBC, Netscape News, NYTimes.com, The Boston Globe, Time Magazine, Tribune Newspapers, USAToday.com, washingtonpost.com, WorldNow, Yahoo! News

2. Advertising Age, “100 Leading Media Companies,” AdAge.com, August 2003. Companies are ranked by their total media revenues collected in the United States in 2002. The list is available at <http://www.adage.com/page.cms?pagelD=1018>.

3. Howard Kurtz, “AOL Version 2004: You’ve Got News,” Washington Post, December 22, 2003, p. c1.

4. Kathy Kiely, “Freewheeling ‘bloggers’ are rewriting rules of journalism Objectivity? Not here — and the masses eat it up,” USA Today, December 30, 2003, p. 1A.

News Investment

News Investment

How much are companies investing in their online newsgathering? In one sense, online is the area where news companies are devoting much of their real R&D for the future. This is due to changes in technology, including the increase in the number of homes with broadband and mobile devices, such as cell phones and personal digital assistants (PDAs) that can receive video. People in the industry agree that these developments will transform online news from a chiefly text-based medium to one that is more multi-media. Such a transformation requires both new equipment and reporters able to make use of this equipment. 1 Companies are devoting more efforts to getting multimedia into their sites. They are also doing a great deal to modify their product for mobile consumption. The day is near when one can watch Peter Jennings deliver the news on demand on his or her telephone.

The question of how much to invest online is one of culture, vision and guts. And different companies are taking clearly different approaches.

There are competing pressures at play that might lead one to risk more investment or make one hesitant. On the one hand, the Web is the one part of the news business that is clearly growing. That would seem to demand investment to get ahead of the curve.

On the other hand, since many Web sites are just beginning to make a profit, it may be difficult to siphon still more money and employees into something that is not yet a major contributor to the bottom line and may indeed weaken margins. Many companies, such as MSNBC.com, have not added the kind of staffing they imagined they would a few years ago. In December 2001, when the site was experiencing a huge surge in traffic following the September 11 attacks, the site actually shed 9 percent of its staff of 200. 2 Much of this was due to the sustained advertising downturn that hit media outlets at the time. The site also had to deal with a phenomenon that television counterparts have not had to deal with: A larger audience requires more money in order to acquire the necessary bandwidth. Post-September 11 streaming video cost the site an extra million dollars. 3

Cuts at MSNBC.com did not cease, and the staff shrank to 170 in October 2002 and then to around 155 in 2003. Moreover, the site has revised its prediction of profitability in 2001 to 2005. 4 The former head of the news site, Merrill Brown, left the company reportedly in frustration over cutbacks in June 2002. On the cable side, MSNBC has had difficulty making a profit, leading Microsoft's chief executive, Steve Ballmer, to say that had he known the difficulties that would be faced, he likely would not have made the investment. 5

Washingtonpost.com does not release the number of its online employees, but taps the resources of all its reporters in varying degrees, from daily bloggers like media writer Howard Kurtz to simply posting stories from the newspaper. New York Times Digital reported employing 240 people at the start of 2003, though they didn't break down how many of those were engaged in newsgathering. 6

In July 2003, The Washington Post set out to take advantage of its Web site's large daytime traffic by creating a department of continuous news in its newsroom. With a staff of five, this department is charged with getting Post stories on the Web as early as possible. The hope is that this investment will lead to less of a reliance on wire stories during the day and more exposure for Post content in the national, and even international, news arena. 7

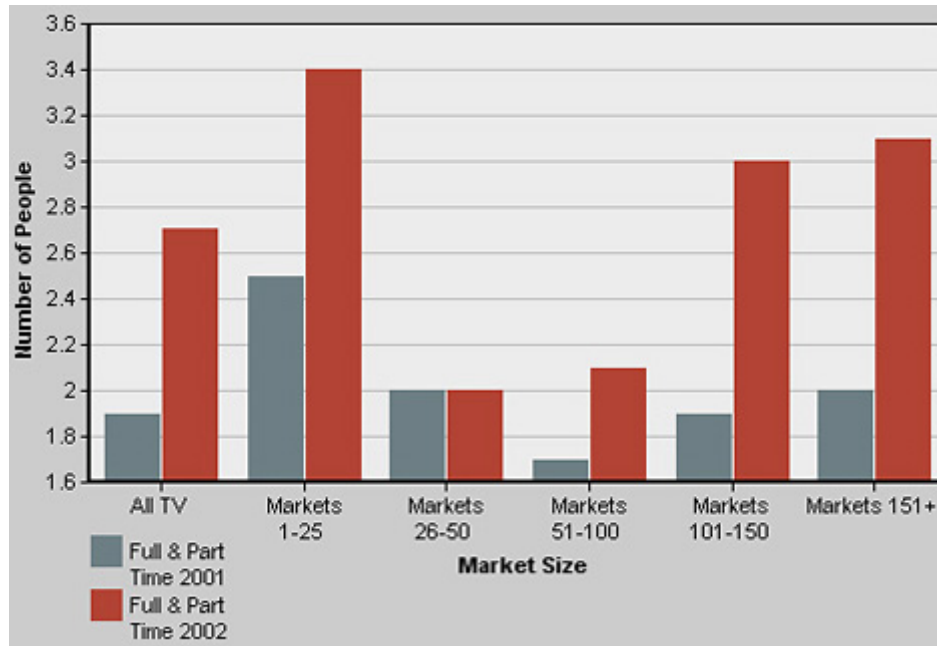
The emphasis on getting articles submitted earlier for the Web has met some resistance. The Post's ombudsman, Michael Getler, wondered whether the time spent getting earlier versions of an article in for the Web would reduce the time editors and reporters have to get the story ready for the paper. Post staffers were anxious that the new department would lead to an increased workload with no increase in pay. As online news gains in both exposure and moneymaking potential, questions arise whether news organizations will invest in new staff members or require more from those already there. 8

What does a site do when it does not have the resources of a newspaper at its disposal? The online arm of CBS News shows another path. It started out in 1998 as CBS.com and was larger than it is now; like other media outlets, it was forced to make cuts in 2000 and 2001. In May 2002, CBSNews.com was formed with a smaller staff focusing on delivering around-the-clock news. 9 Instead of focusing on creating original reporting (like The Post), CBSNews.com uses a lot of repackaged content and interactive features. As a result, the site is making money, according to Michael Sims, the director of news and operations. 10

Data gathered about local television and radio Web sites suggest that the number of people involved in these operations remains fairly modest.

Average Staffing of Local TV News Web Sites

Survey of news directors

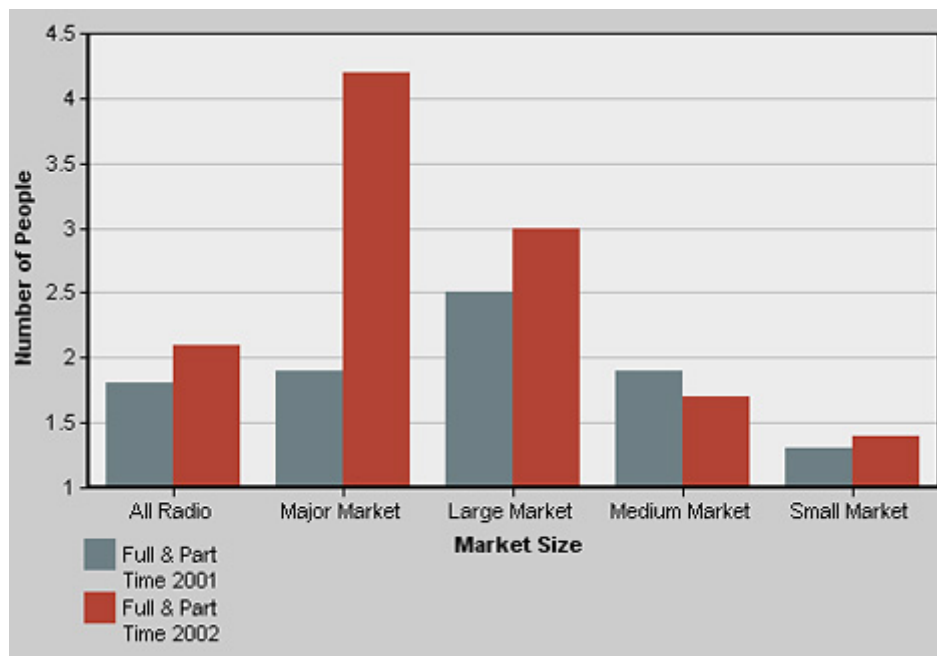


Design Your Own Chart

Source: RTNDA/Ball State Survey by Bob Papper, RTNDA Communicator, April 2003
The response rate for the survey was 62.6 percent, or 890 of the total 1,421 stations.

Average Staffing of Local Radio News Web Sites

Survey of news directors



Design Your Own Chart

Source: RTNDA/Ball State Survey by Bob Papper, RTNDA Communicator, April 2003

The number of people involved in these operations remains small. Local television stations in 2002 averaged just 2.7 members devoted to their online operations. While this is a significant increase from 2001 – 40%, in fact – the total

number is modest. 11

In addition, roughly half are current staff members who now devote part of their time to the Web site, rather than being full-time Web employees.

The bigger stations (in markets 1-25) have more resources, but they are not putting many more people to the task than are smaller-market stations. The average staff size for stations in the top 25 markets was 3.4, while the smallest-market stations still averaged three staff members. The difference seems to be that in the largest markets most of the staff is full-time while in the smallest the bulk is part-time.

Radio is also investing online, although to a lesser extent. In 2002, local radio stations, according to the survey data, averaged 2.1 staff members for online operations, an increase of 15 percent over 2001. The major markets by far had the most staffers, over 4 on average, while the smaller markets had fewer than 2 staffers. 12

Given that the economics of online news are still evolving, it is probably not surprising to find differences in how much companies are investing in their online newsgathering. But the histories of other mediums, particularly newspapers and television, suggest that when a medium faces audience growth but an advertising downturn, the long-term winners may be those that invest in hard times to build audience loyalty, even at the cost of short-term profitability.

Whether this means, for example, that The Washington Post, which is building, will overtake MSNBC.com, which was cutting, is not so simple. One is a national online entity. The other is associated with a newspaper that circulates largely only in the Washington, D.C., metropolitan area and whose attempt at a print national product, The Washington Post Weekly, never succeeded. The picture is made more complicated by joint ventures and other agreements: The Post and MSNBC.com have one of those shared agreements. But experience would suggest that in an evolving medium, those with the long-term approach and vision will prevail, and early leaders can easily disappear.

Footnotes

1. Vivek Shankar, "Reporters, readers get new ways to publish and read," Online News Association, November 15, 2003. Online at <http://www.journalists.org/2003conference/news/000040.html>.

2. "MSNBC.com tightens purse strings," Reuters, December 3, 2001. Available online at: http://news.com.com/2102-1023_3-276528.html

3. "NBC Announces layoffs at MSNBC.com" Marketplace, Minnesota Public Radio, December 4, 2001

4. "8 Journalists laid off at struggling MSNBC.COM," Seattle Times, October 11, 2002

5. John Lafayette, "What does Microsoft really think of the MSNBC venture?" Cable World, October 7, 2002, p. 13

6. New York Times SEC 10-K Filing, February 24, 2003.

7. Steve Outing, "News is Really Continuous at washingtonpost.com," Editor and Publisher Online, January 14, 2004

8. Michael Getler, "Department of Continuous News," Washington Post, July 31, 2003, p. B6; Erik Wemple, "Web Spinning," Washington City Paper, July 4, 2003

9. Private conversation with CBS Employee

10. Mark Glaser, "CBSNews.com trying to win as tortoise in online news race," Online Journalism Review, August 12, 2003

11. These statistics comes from RTNDA surveys of news directors conducted in 2001 and 2002 by Prof. Bob Papper of Ball State University. The response rate for television was 62.6 percent (890 total). For radio, 272 news directors from 445 radio stations responded.

RTNDA is the world's largest professional organization devoted exclusively to electronic journalism. RTNDA represents local and network news executives in broadcasting, cable and other electronic media in more than 30 countries. RTNDF promotes excellence in electronic journalism through research, education and training for news professionals and journalism students. The Foundation's work is supported by contributions from foundations, corporations, members of the Radio-Television News Directors Association, and other individuals. Its code of ethics can be found here: <http://www.rtna.org/ethics/coe.shtml>.

12. Help from other staffers also increased from 2001 to 2002 for both local television and radio. In local television, three out of ten news directors (29 percent) said other staff members helped Web content in 2002, up 8 percent from the previous year. Also, the percentage of staffers helping with the Web tended to increase as the markets got smaller. Radio Web sites are even more likely to be operated through the multitasking of current employees. Radio news directors were more than twice as likely (64 percent) as their television counterparts to report that other staffers help with the Web. That is a 14 percent increase from 2001.

Public Attitudes

Public Attitudes

The Internet's attraction as a news medium seems, according to the data, to stem from three characteristics:

- Information arrives continuously and can be accessed anytime.
- Users are not limited in their choices; they can get news, videos, audio, and other information from anywhere in the world.
- Most of it is free.

These attributes have contributed to more and more Americans making the Web their news medium of choice. In October 2003, 20 percent of people indicated that the Web was how they received most of their news on national and international issues, according to a survey by the Pew Research Center. This is up from 14 percent in January 2002. ¹

At the same time, one of the criticisms of the medium is that the source and accuracy of information may sometimes be harder to discern than in other media. According to these data, people have doubts about the accuracy and reliability of the Web in general, but they have high confidence in the sites they visit.

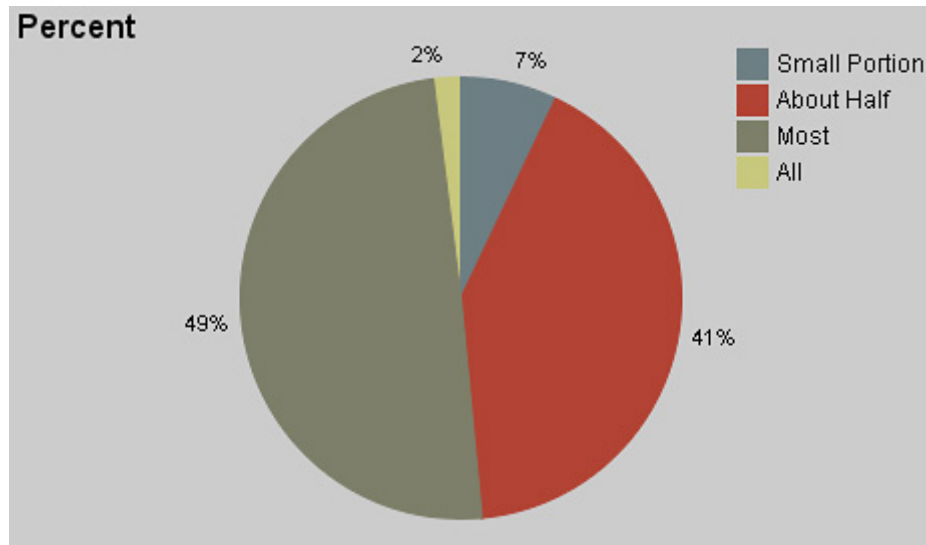
Accuracy

How accurate do people consider the Web?

The answer, it seems, is a matter of a glass half full or half empty.

Perceptions of Internet's Reliability, Overall

Survey qu.: "How much of the information on the Internet do you think is reliable and accurate?"



Design Your Own Chart

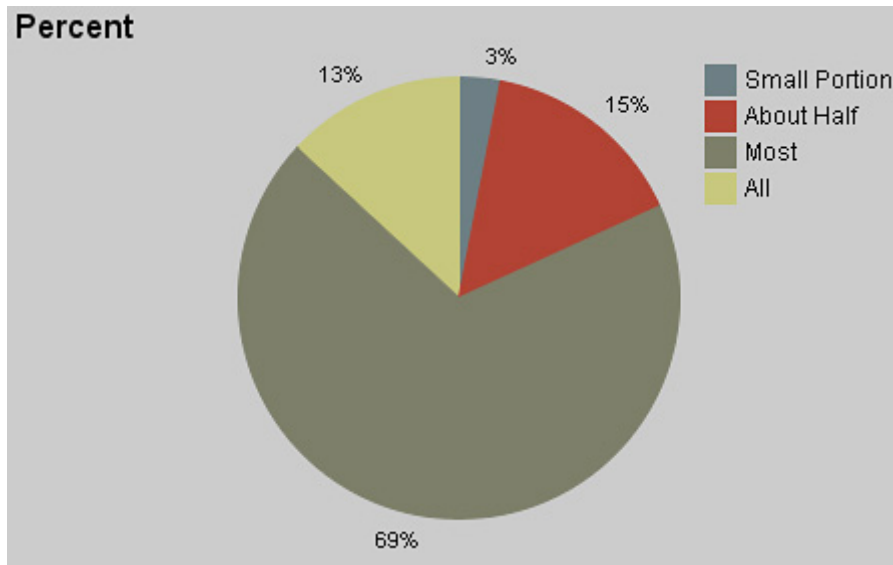
Source: 2003 UCLA Internet Report; PEJ Research

Responses are from people who use the Internet for news at least once in a typical week.

According to the UCLA study, nearly half of online news users (48.5 percent) believe that most of what they find on the Web is accurate.

Perceptions of Internet's Reliability, on Favorite Web Sites

Survey qu.: "How much of the information on the Internet sites you visit regularly do you think is reliable and accurate?"



Design Your Own Chart

Source: 2003 UCLA Internet Report; PEJ Research

Responses are from people who use the Internet for news at least once in a typical week. Does not add up to 100 due to rounding.

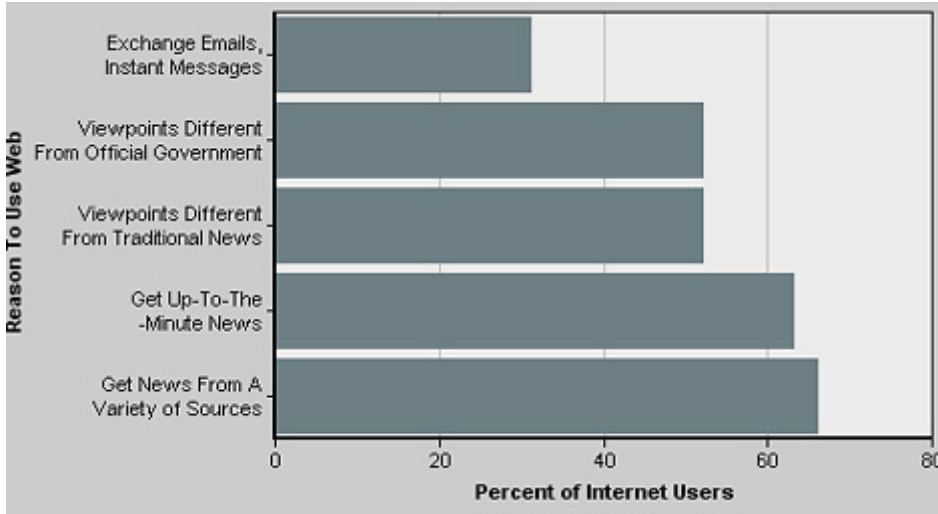
However, the numbers change when the question turns to sites that respondents visit regularly. Here 81.6 percent of users think that the sites they regularly visit are entirely or mostly accurate (13.1 percent entirely, 68.5 percent mostly). And those numbers remained stable whether someone was a heavy, moderate or light news user.

This may be a function of people rationalizing that they would not visit sites that were not reliable. If they go there, they must be good sites – whether they really were or not. But these numbers could also be a function of people finding through trial and error that there really are havens of reliability on the Web and that they have found them. The fact that old established news brands so dominate the Web would suggest this is the case.

Yet some of the brands that dominate – such as Yahoo or even MSNBC.com – are not old brands. And Web blogging, one of the most exciting aspects of Web journalism, entails much of the risk of the Web. The most likely guess is there is some of both – rationalizing and careful consumption – in these figures.

What is it that people like about the Web for news? The Pew Internet and American Life Project probed this during the war in Iraq. Two-thirds cited the ability to get news from a variety of sources, followed closely by the ability to get breaking news. In addition, more than 50 percent of respondents valued being able to get different points of view from those of traditional news and government sources. 2

Why People Go Online For News and Information
 Survey of Internet users during the start of the Iraq war



Design Your Own Chart

Source: Pew Internet and American Life Project report, "The Internet and the Iraq War," April 1, 2003. Respondents were surveyed between March 20 and 25, 2003.

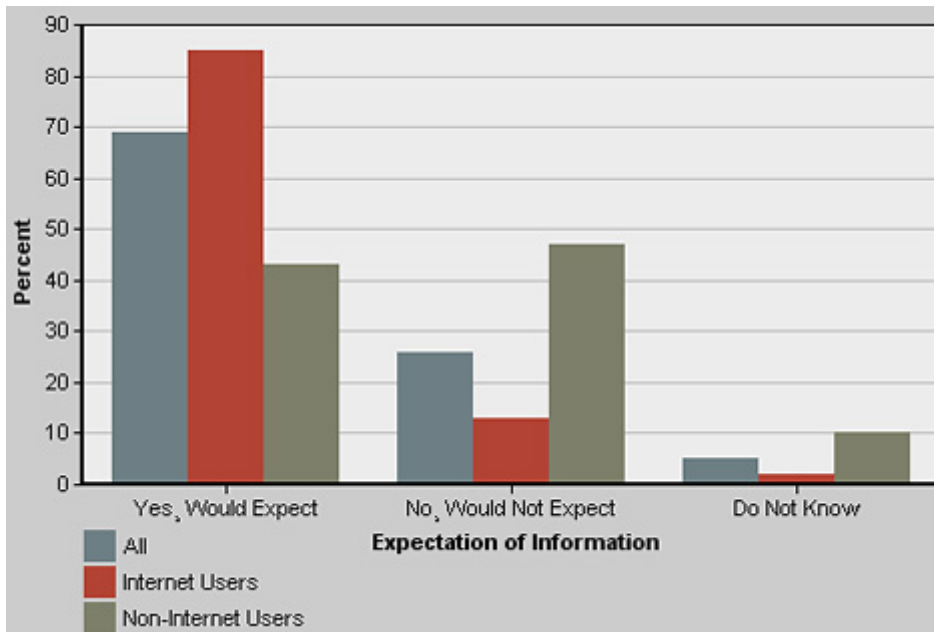
Thus, for all that people may gravitate to major traditional news sites, the sense of being able to go to multiple sites quickly – perhaps comparing what is at MSNBC.com to what is available on CNN.com – is a major factor. So, of course, is speed.

Importance

When asked to rank the importance of the Internet as a source for information from 1 (not important) to 5 (extremely important), more than a third, almost 38 percent, of online news users gave it a 5, indicating how essential the medium has come to be seen. Another third gave it a 4 ranking. Less than 1 percent said it was not important at all. Among heavy Internet news users, the importance was even higher, with 42 percent ranking it as extremely important.

Expectations of Internet, Users vs. Non-Users

Survey qu.: "If you need reliable, up-to-date news, would you expect to be able to find this online?"



Design Your Own Chart

Source: Pew Internet and American Life Project, "Counting on the Internet," December 29, 2002

From what we have seen above, attitudes about the Web indicate a growing reliance on the medium as an intrinsic source of news and information. People are drawn to the ability to get updated news around the clock from a seemingly endless array of sources. Yet, how much they trust these sources varies. Even if overall there is some doubt about the veracity of what appears online, people tend to gravitate toward sites they come to believe in. As trust in certain sites' accuracy grows, it is likely that the Web will become an even more important source of news.

Footnotes

1. The 26 sites are: ABC News, Advance Internet, AOL News, BBC World Service, CBS News, CNN, Cox Newspapers, Fox News, Gannett, Hearst Newspapers Digital, Internet Broadcasting Systems Inc., Knight Ridder Digital, LA Times, McClatchy Newspapers, MediaNews Group, MSN Slate, MSNBC, Netscape News, NYTimes.com, The Boston Globe, Time Magazine, Tribune Newspapers, USAToday.com, washingtonpost.com, WorldNow, Yahoo! News

2. Advertising Age, "100 Leading Media Companies," AdAge.com, August 2003. Companies are ranked by their total media revenues collected in the United States in 2002. The list is available at <http://www.adage.com/page.cms?pagelId=1018>.

3. Howard Kurtz, "AOL Version 2004: You've Got News," Washington Post, December 22, 2003, p. c1.

4. Kathy Kiely, "Freewheeling 'bloggers' are rewriting rules of journalism Objectivity? Not here — and the masses eat it up," USA Today, December 30, 2003, p. 1A.

Conclusion

Conclusion

The evidence suggests that the Internet is clearly in journalism's future. But it is less clear that it will be its only future. While most Americans are now online, and getting news, as of 2004, the Web appears to complement traditional media for most of these people rather than replace it.

The Internet is attracting young people. It offers the potential of a global audience, the potential of new jobs and new types of journalists. There will, however, be dislocation.

What is most intriguing is the evidence that television rather than print is suffering most. This is surprising because, at this point, the Web is still largely a text-based medium. One might have thought that the print media would thus be hurt by the greater convenience that the Web offers, in much the same way that cable seems to have eroded the appeal of network television. This is not the case.

What this means down the road is harder to figure. The future, say online professionals we have consulted, is an age in which the distinctions between media blur. Online, The Washington Post will not be a newspaper company but a text, picture and video news provider. CBS News will not be a broadcaster. It, too, will be a text, audio and video news organization. Nor will news just be consumed on computers, television or in print. News will be made to fit computers, PDAs, phones and perhaps more. Before too long, people riding the subway home from work may turn on their phones and watch a network anchor delivers the news, not because the anchor happens to be on but because he or she is "on," on demand.

The Internet is a continuous, on-demand medium, like cable, but it is updated only when there is something to update, and users do not have to sit through the stories they don't care about. As they can in newspapers, online users can search out what they want, but they also can access background material and previously published stories. Unlike any other single medium, they can read the news, watch video, listen to audio, read long transcripts, access original documents, or link to outside sites for more detail. The Internet, in other words, offers the strengths of all media—the immediacy of cable, the skillful storytelling of network, the depth and deliberation of newspapers, plus more, all in one place. That, at least, is the potential.

It likely will depend on the economics to see if that potential is fulfilled. And it may depend on a few large organizations capturing large portions of that audience for that to happen. Thus there would be two Internets, in a sense. There would be the big media, the handful of places where large audiences assemble, and where huge multi-platform news organizations would deliver news on demand worldwide in sophisticated ways, perhaps better than they do now. And then there would be the open Internet – the water cooler, bloggers and clamoring citizens, off in their niches, in chat rooms and grass roots organizations, creating movements and confounding the establishment. And the Internet would be home to both. As of 2004, the signs are pointing in that direction.

Network TV – Intro

Intro

By the Project for Excellence in Journalism with Andrew Tyndall

Network television news was once the most trusted source of information in America. It also had a monopoly over pictures and television reporting from across the country and around the world.

Neither of these things is true anymore.

Network news in 2004 is an industry trying to find its place in the changed world of 21st-century journalism. It is also an industry on the brink of generational change, with the retirement of its most visible symbols, the current nightly network anchors, beginning with the stepping down of NBC's Tom Brokaw at NBC later this year.

What place does covering the major events of the day or acting like an important public institution play in a network's identity in the age of a hundred-plus channels? How important is news at all?

A detailed look at the content of network news reveals that the evening newscasts are still network television's front page, and by traditional standards still home to its most serious journalism. Nearly 30 million people still watch the nightly news, and the programs remain profitable.

But the trend line is ominous. Evening news ratings have dropped 59 per cent since their peak three decades ago. And the audience is aging – nearly 60 years old on average, while the average age of Americans is 35. The economics of evening newscasts is headed in a troubling direction.

The picture for network morning news is quite different. Its audience is stable and even grew in 2003. Morning news shows, which have half the audience of nightly news programs, also enjoy twice the revenue as their evening counterparts, according to available data. Yet the content in the morning is softer. People who get their news from morning programs know a very different world – one that is less global and more oriented around entertainment, celebrity and true crime – than those who get their news from newspapers or evening news.

What the networks believe they can afford to offer the public also has changed. Available numbers suggest that the news divisions have fewer correspondents and off-air journalists to produce the news than they once did, and fewer bureaus or listening posts here and abroad. Foreign bureaus have been cut by more than half. At the same time, the newsgathering technology has become more sophisticated, the editing capabilities and satellite reach more vast and instantaneous.

The net effect, many network journalists say, is the news at all three organizations tends to be focused on the major stories that have to be covered, leavened with features or sidebars routinely chosen for their appeal to targeted demographic groups. Privately, network veterans say the unexpected is less common. So is the original. There is more homogenization. Large portions of the domestic news agenda, such as the environment, science, prisons and the poor, content analyses suggest, are often absent. Other topics of special interest to targeted demographic groups, such as healthcare, retirement and financial markets, are emphasized.

Overall, more people now say they turn to cable television for major breaking news events than say they turn to network or local broadcast news. The reason appears to be convenience and availability. We live in an on-demand world. Yet on those occasions when network television news goes head to head with cable, such as with morning news shows, network still tends to attract more audience.

What does all this suggest about the future of the network news divisions?

The answer probably depends on how the parent companies that own the networks perceive news as adding value to their franchise. Do they believe that news has an intangible value that transcends the immediate bottom line – that a news department's reputation for quality and commitment to the public interest enhances a network's brand, thereby strengthening its entertainment programming, its local affiliates, its other media endeavors? Or do they see news mostly as commodity, which justifies itself in quarterly and measurable terms in return on investment. Both are justifiable views. But they lead to different strategic visions and different levels of investment.

The journalists at the networks still address a mass audience that surpasses any other medium. They still possess an institutional memory for news delivery that rivals journalists elsewhere. However, the decline of the television networks

as a medium means that these advantages of scale and history are dwindling year after year, although they have not yet been dissipated.

Most likely the future will be determined by the degree to which the news divisions' owners have the imagination and the will to create new business models that employ both traditional and emerging technologies, target both old and new audiences, expand to more channels of transmission and generate new revenue streams. If they do, they can add value to their conglomerate parents, providing diversified news for their entire media franchise in broadcast, cable, Internet and beyond, just as they did for the stand-alone networks in the last century. If they do not, they will probably wander down the path of contraction they have followed over the past two decades.

Network Content Analysis

Content Analysis

What are Americans now getting from network news?

In recent years, five major trends have dominated the broadcast news divisions: shrinking audience, intensifying budget constraints, competition from 24-hour cable news, the fast growth and then decline of prime time news magazines, and the increased influence within news divisions of morning programs.

It seems logical to ask what impact they are having on what viewers see. Have the nightly newscasts retreated from their traditional role of resembling, in effect, the front-page of the daily newspaper, in favor of becoming more infotainment-oriented? Have the journalistic styles of the nightly newscasts and the morning programs converged to the extent that the first hour of the morning programs is now an alternative source for the same type of news? Has PBS's "NewsHour" managed to stake out a separate journalistic terrain in which it not only covers stories differently but also covers altogether different stories than the three network news programs?

To get answers, this study conducted a content analysis of all three network evening and morning newscasts, as well as the "NewsHour" on PBS. The study encompassed a month of weekday newscasts (20 days), selected to include four of each weekday (see *Methodology*), 110 hours of news programming, an examination of nearly 2,000 separate stories. ¹ Earlier studies have offered some sense of the news agenda of prime time television news magazines.

The quick answers:

- Having experimented with tabloid, sensation, lifestyle and celebrity during the mid-1990s, nightly network newscasts have become more traditional, some might say serious, in their topic agenda since September 11. It is an oversimplification, however, to suggest they have returned to the news agenda of 15 years ago.
- However they have evolved, nightly newscasts remain quite distinct from morning newscasts or cable—more likely to cover the major news of the day and to do so with stories that are carefully written and edited, and more densely sourced than elsewhere on television.
- People who get their news from network morning shows, on the other hand, are seeing a world more focused around true crime, entertainment, lifestyle, and, when they are covered, the human interest angle on government and foreign affairs.
- The "NewsHour" resembles morning news in its interview-heavy format as well as the nightly news in its public policy content. But it has adopted a focus on government and foreign affairs that is even heavier than the front pages of most newspapers.

The Three Commercial Nightly Newscasts

The best evidence suggests there is something of a U-curve to the nightly news agenda over the last 20 years. Looking at studies from different researchers, there was a steady move after the Cold War toward subjects like entertainment, lifestyle and celebrity crimes, and away from subjects such as international events and public policy debates. That move toward a lighter agenda began to ease in the late 1990s and the news agenda has become even more serious again after September 11.

The Project for Excellence in Journalism (PEJ) has tracked the news agenda — the topics of stories — on network nightly news off and on for 26 years. The Tyndall Report, using slightly different methodology, has tracked time devoted to different topics on network news every weeknight for 16 years. The Center for Media and Public Affairs, whose president is Robert Lichter, has published tracking of topics by story on network news every night (weekday and weekend) going back to 1990 using a methodology similar to that of the PEJ. All three approaches concur in revealing this gradual shifting of the news agenda on nightly news. ²

The methodology of the Tyndall Report, whose publisher is Andrew Tyndall, counts specific story themes but not broader topic categories. The report shows that coverage of U.S. foreign policy has returned to levels found at the end of the Cold War, although coverage of international affairs not related to the U.S. has not. But Tyndall also notes that the war in Iraq is a singular event that makes projections into the future uncertain. The PEJ's more episodic measurements of the full topic agenda of nightly newscasts, reinforces Tyndall's findings about international coverage. It

also finds, though, that the agenda is still less oriented to government and public policy than in the 1970's and 80's. Government coverage had declined to just 5% in 2001 and 2002, down from 32% in 1987. In the 2003 study, government topics climbed back to 16% of all stories, though still just half of where it was in 1987.

If coverage of foreign affairs and government were up, what was down? Generally crime and more lifestyle and entertainment-oriented news topics. Stories were half as likely to be about crime in 2003 than they were in 2002 (6 percent in 2003 versus 12 percent in 2002.) Entertainment and lifestyle coverage dropped to just 8 percent of stories; these topics had come to make up nearly 20 percent of stories studied in 2001. They declined after September 11 and rose back to 19 percent of stories in the first six months of 2002.

Science coverage appears to have declined somewhat over the last two years (to 2 percent of stories).

Almost certainly one reason for the more traditional agenda on nightly news is the foreign policy of the current administration. Given the Bush administration's decision to go to war in Afghanistan and Iraq, the networks have had little choice but to have government, military or foreign policy dominate their story selection, irrespective of cost.

Yet one interesting thing about the 2003 war in Iraq and the Gulf War 12 years ago, Tyndall says, is that the usual patterns of overseas coverage were not followed. Increased U.S. foreign policy coverage normally has the effect of increased international coverage unrelated to U.S. foreign policy as reporters try to put U.S. actions in a global context. That tended to happen during the Cold War, when coverage of the internal affairs of the Soviet Union and Eastern Europe increased. It also happened immediately after the September 11 attacks, but it did not continue in 2003.

Tyndall also suggests words like hard and soft news may be misleading in describing the shift. In the 1970s, he reminds us, Walter Cronkite, who was then the CBS anchor, would often close with a four-or-five-minute human-interest piece by Charles Kuralt "On the Road." Tyndall suggests that in the 1990s the networks added an array of family and lifestyle topics, covering such things as childrearing, sexuality, reproduction, tobacco, nutrition, obesity, eldercare and early education. He says that demographic calculations to target more women go into the decisions to cover these topics. But he suggests that it is unfair to consider these necessarily less serious issues.

While the domestic agenda has broadened and become a larger part of network news over the years, some topics are notably absent in the composite month of newscasts studied in 2003. The environment, for instance, made up just 1 percent of the stories on nightly news. The same was true of education, transportation and religion. Technology made up even less. Coverage of the healthcare system in the country made up 3 percent of the stories. By contrast, accidents and disasters (excluding weather) made up 6 percent of the stories on the nightly news.

Nightly News Topics Over Time Percent of All Stories

	1977	1987	1997	June 2001	Oct. 2001	2002	2003
Government	37%	32%	18%	5%	7%	5%	16%
Foreign/Military	21	19	15	17	10	21	25
Defense	1	1	3	6	29	16	3
Domestic	8	7	5	18	34	12	16
Crime	8	7	13	12	4	12	6
Business	6	11	7	14	5	11	12
Celebrity/Enter.	2	3	8	5	0	2	2
Lifestyle	4	11	14	13	1	17	6
Science	4	5	6	4	11	2	2
Accidents/Disasters	9	5	10	4	0	3	10
Other	N.A.	N.A.	N.A.	3	0	N.A.	2

*Totals may not equal 100 due to rounding.

Looked at another way, if you watched a commercial nightly newscast every weeknight for a month – some 10 hours of programming – you would have seen: 3

- Less than a minute about culture and the arts

- Less than a minute on family and parenting
- About four minutes on the environment
- Less than five minutes about transportation
- Slightly less than seven minutes about education
- About 14 minutes on healthcare
- About 16 minutes of crime
- About 22 minutes on accidents and disasters
- About 74 minutes on government matters
- About 97 minutes on foreign affairs

How does this news agenda compare to Page A-1 of America's newspapers?

The three network nightly newscasts remain the closest thing one can find to it on commercial television. While newspaper front pages are slightly more oriented to government and slightly less oriented to foreign affairs and the war, in the main they are quite similar. Neither focused heavily on crime, and both avoided celebrity and lifestyle coverage.

Topics in the News: Newspapers vs. Nightly News, 2003
Percent of All Stories

	Newspapers (Page A1 only)	Commercial Nightly News	PBS "Newshour"
Government	16%	26%	24%
Foreign/Military	25	18	39
Defense	3	3	*
Domestic	16	22	11
Crime	6	7	2
Business	12	6	11
Celebrity/Enter.	2	1	1
Lifestyle	6	8	3
Science	2	3	3
Accidents/Disasters	10	4	4
Other	2	2	2

*Totals may not equal 100 due to rounding.

The commercial nightly news was more likely to focus on always-graphic disasters (10 percent versus 4 percent of newspaper front pages). They were also twice as likely to carry business stories, though a portion of that is the nightly recitation of the advance or decline of the Dow Jones Industrial Average, and newspapers normally have a separate section devoted exclusively to business.

The "NewsHour" on the noncommercial PBS is closer to newspaper front pages in its orientation toward government. And, it focused more on foreign affairs than either newspaper front pages or commercial nightly news. Fully 63 percent of "NewsHour" stories studied were government and foreign affairs. The program, in turn, carried less other kinds of domestic news, including crime.

Morning News vs. Evening News Agenda

If nightly news is still the place where viewers can get the most comprehensive sense of the day's events, morning news programs have become clearly more important to network news divisions (see Audience and Economics). They have held onto more of their audience and become more important economically to network fortunes.

What are Americans getting in the morning, and how does it compare to evening news? Here we can compare how nightly and morning news allocate their total time for news (rather than just story counts).

The morning news format is suited to flexibility. The programs will transform themselves into covering major breaking news in times of crisis. They revert back to a softer mix in more normal times. Recent times have seen a series of crises.

Yet even during major events, network morning programs offer a markedly different and softer news agenda than nightly news. The two types of newscasts, in other words, are hardly substitutes for each other. And that is not just a matter of approach, where the morning programs emphasize live interviews by the anchors and the evening programs feature edited pieces taped by correspondents.

Compared with the total time on nightly newscasts, the morning news programs:

- Are much more focused on crime (19 percent vs. 5 percent)
- Spend much less time on affairs of government (8 percent vs. 17 percent)
- Spend half as much time on foreign events (13 percent vs. 26 percent)
- Spend vastly more time on celebrities (14 percent vs. 2 percent)
- Spend twice as much time on lifestyle news (15 percent vs. 7 percent)

And these differences are just looking at the first hour of morning news – the more hard-news-oriented hour. If the second hour (and the third in the case of the “Today” show on NBC) had been sampled as well, the differences would have almost certainly been even more pronounced.

Given that morning news ratings are stable or rising, while evening is shrinking, this has significant implications. Those who get their television news in the morning are learning about a different agenda of what matters and are far more likely to talk about the trial in the murder of Laci Peterson, Michael Jackson’s child-molestation case or Tom Cruise’s movie, even in the supposedly hard-news hour of the morning, than those who get their news in the evening. When they discuss the war in Iraq around the water cooler, it is personalized as human interest in Jessica Lynch rather than issues such as compliance with Security Council resolutions. It is a world where the economy is covered as household finance tips; where science is covered as innovations in personal health or consumer electronics; and where environmental stories such as global warming are covered as the latest weather disaster.

Topics in Network News, 2003
Percent of All Time

Topic	Network Morning	Network Nightly Comm.	PBS Newshour
Government	8%	17%	33%
Foreign/Military	13	26	32
Defense	5	3	1
Domestic	11	18	13
Crime	19	5	1
Business	1	9	5
Celebrity/Enter.	14	2	*
Lifestyle	15	7	6
Science	1	2	3
Accidents/Disasters	9	9	2
Other	3	2	3

*Totals may not equal 100 due to rounding.

On the other hand, it might be a mistake to imagine that these programs gained in ratings in 2003 because of a lighter news agenda. Indeed, some evidence suggests the morning news programs have moved more in the direction of traditional news about government and foreign affairs lately, thanks, perhaps, to several major events.

Research by the Tyndall Report finds that the 2000 Florida recount represented one such moment. Viewers waking up wanted to know who the next President was, and ratings rose. Eight months later, however, a study of one month of morning show content by the Project for Excellence in Journalism in 2001 saw little in the way of substantive coverage

of major news events. That changed after September 11, when coverage became more serious again. Yet that, too, did not last. A PEJ study of the first six months of 2002 found a return to softer topics, though not as far back as in the summer of 2001.

In 2003, the content analysis finds, the war in Iraq represented another spike in coverage of major events in the morning television news and a move toward a more serious agenda.

In June 2001, for instance, only 4 percent of morning stories pertained to government, defense or foreign affairs. In the first half of 2002, that had risen to 14 percent of stories. In 2003, that had doubled again to 29 percent.

Morning News Topics Over Time
Percent of All Stories

	June 2001	Oct. 2001	2002	2003
Government	1%	5%	2%	8%
Foreign/Military	3	9	7	17
Defense	*	15	5	4
Domestic	3	29	8	10
Crime	12	2	13	18
Business	4	3	3	2
Celebrity/Enter.	25	12	20	11
Lifestyle	45	11	38	14
Science	5	14	2	2
Accidents/Disasters	2	1	1	11
Other	0	0	N.A.	3

* Totals may not equal 100 due to rounding.

While celebrity and lifestyle make up a large percentage of morning news, that percentage is apparently down, from 70 percent of all stories in June 2001 and 58 percent in 2002 to 25 percent in 2003.

Still, to the extent that morning news is becoming the key newscast in any news division, this has significant implications in terms of the values of the news division, the expertise of its reporters and producers, and the knowledge and brand that it provides to the American public. Their prominence and popularity represent a change in the mission of the network news divisions to an emphasis of less serious policy-oriented fare. The fact that these divisions' resources, promotional efforts, star anchors and profits are focused more than they were 15 years ago on the morning programs, and less on their evening newscasts, demonstrates a shift in the center of gravity of their news values.

The Lehrer News Menu

If the nightly news has become somewhat less important, and the morning programs more important, to what extent has that created a larger niche for public broadcasting's "NewsHour" with Jim Lehrer? The Lehrer show by reputation certainly would be positioned as the most traditional, the most hard-news oriented, the most likely to report in depth on issues that others in television might shun. Is that borne out in the content analysis? Does the "NewsHour" cover a different agenda of topics?

The content study suggests that in some ways, Lehrer is indeed staking out a distinct journalistic terrain for itself, perhaps one carefully tailored to a PBS audience. With an hour-long newscast and feature interviews, it takes on more of the format of the morning shows. At the same time, though, its news agenda is more in line with the evening news: a commitment to foreign policy and government, and a disdain for entertainment, celebrity and pop culture – only more so. The "NewsHour" spends even less time than evening news on crime, accidents and disasters.

The program's coverage of government and domestic issues, however, may be influenced by other considerations as well. For one, focusing on interviews with government newsmakers is an inexpensive way to do news, particularly for a broadcast based in Washington.

Beyond the question of topics, there are a host of other differences in the content of evening, morning and noncommercial news.

News Content Versus Ads and Teases

These differences begin with how much news content one gets inside each of these programs. For 30 minutes of programming, we examined the average number of news minutes versus advertisements and promotional announcements.

The nightly newscasts used to be described as 22 minutes of news in a 30-minute program. 4 That is no longer the case. In the month of programs studied, the amount of news on the three commercial nightly newscasts, after teases, promotional announcements and commercials were removed, was closer to 18 minutes 48 seconds. This varied, somewhat noticeably, by network. NBC's "Nightly News" had significantly more news content (an average of 19 minutes 45 seconds) than either ABC's "World News Tonight" (18 minutes 30 seconds) or CBS's "Evening News" (18 minutes 56 seconds).

The evening network news nevertheless had more content time than the morning news programs. In the mornings, only 15 minutes 6 seconds of every half-hour is content (based on the first hour of programming), once the commercials, promotional announcements and teases, and local news inserts are removed.

NBC's news program again came out on top. In the New York market, where our sample of morning shows was videotaped, the local NBC station averaged 16 minutes 21 seconds per half-hour. The CBS station was second with 14 minutes 54 seconds and ABC was third with 14 minutes 6 seconds.

While local news inserts were not analyzed in this study, they are certainly an important part of the content for morning news shows. According to research by Andrew Tyndall, in the second quarter of 2003 the local New York stations averaged the following amount of time for local news: WABC averaged 6 minutes in the first hour, WCBS 5 averaged minutes 42 seconds, and WNBC averaged 3 minutes 6 seconds.

The "NewsHour" is "commercial-free," of course, although it still contains teases of what is to come on the program and funding credits and the beginning and end of the program. Still, once those are taken out, there is a good deal more news packed in. In 30 minutes of the "NewsHour," 26 minutes were news content, more than 7 minutes more than on the commercial networks' nightly news and 11 minutes more than on the network morning programs.

Nightly News Beyond Topic

Beyond time, what is the structure of the three commercial nightly newscasts in 2004?

They remain the showcase for the work of correspondents, their editors and producers. That is because these programs are made up largely of taped, edited packages. By comparison, the "NewsHour" and the morning programs, with their emphasis on extended interviews, are an anchor's medium.

Almost the entire news hole on the three commercial nightly newscasts is devoted to edited packages (84 percent of the time on these programs versus the "NewsHour's" 31 percent and the morning programs' 36 percent). 5

The three networks average 6.8 such packages each evening, at an average length of 138 seconds, including the anchor's introduction.

Story Origination on Evening News
Percent of All Time

	Commercial	"NewsHour"
Packages	84%	31%
External Interviews	1	56
Correspondent Interviews	1	0
Stand-ups	2	2
Anchor Reads	12	8
External Sources	0	4
Banter	0	0

*Totals may not equal 100 due to rounding.

Sourcing on Nightly News

This reliance on taped packages and correspondents has consequences beyond style. The time involved in writing, editing and checking a story translates into more time to verify facts and more sources than can be found in other story forms, including live interviews. The power to check and to edit is important.

This is quantifiable in the sourcing measurements.

Unlike the live stand-ups, which are the staple format for cable news correspondents, these taped packages are more comprehensively sourced, with named and identified institutions and individuals, often in the form of direct quotations, soundbites from people whose inflection, mood, tone and sincerity viewers can assess directly.

To isolate this, the study examined how many sources a story cited, and whether those sources were named and their level of expertise and potential biases were described so that audiences could determine more for themselves how to evaluate the information.

The less transparency there was, the more audiences would have to accept the word of the news program that these sources were believable. At the bottom of the sourcing scale would be a story based on a lone anonymous source. At the top would be a story with at least four named and fully described sources.

Overall, the three commercial nightly newscasts had higher levels of sourcing on average than did other kinds of news programs. Nearly half of all stories (48 percent) had two or more fully named and described sources, and 18 percent cited four or more of these sources.

What about anonymous sourcing? Overall, less than a third (29%) of nightly news stories contained anonymous sources. Usually the networks made some attempt to describe these anonymous sources so that viewers could have some basis to judge their credibility. Only 14 percent of the stories had at least one anonymous source without any explanation of why the source was credible, such as “CBS has learned” or “sources tell ABC.”

Story Length

For all that people complain about brevity on television news, network nightly newscasts tended to rely either on fairly long stories by modern standards or very short ones.

About half of all stories on the three commercial nightly newscasts, 52 percent, were more than 90 seconds while 42 percent were less than 40 seconds. Very few stories, just 6 percent, fell anywhere in between (41 seconds to 90 seconds), the type of truncated package that is a staple of some local television newscasts. The biggest difference between the commercial network news and the “NewsHour” was that the “NewsHour,” following the format of the morning news, tended to do more very long stories. A third, 33 percent, of its stories were longer than three minutes. The bulk of these long stories, however, were interviews or panel discussion, which often provide in-depth discussions with a limited range of people. The downside is that these often replace edited packages, which are more densely sourced and written and are less vulnerable to an interview subject’s filibustering.

Some in network news say that modern television news stories are probably more densely packed with information than were stories of similar lengths in earlier years. The new technology – satellites, video feeds, computer-generated graphics and more sophisticated editing equipment – allows producers and editors to more easily add more information from more sources. The technology also allows journalists to include more, pithier and shorter soundbites in stories rather than longer but perhaps longwinded ones. Modern audiences are also presumed to process information more quickly. In the period of film in television news, in the mid-1970s and earlier, there was less content available and what was available was more difficult to pack into pieces. As a result, television professionals argue, stories sometimes grew to fill the space.

Bush as Protagonist

For years critics also have argued that television has personalized news, causing journalists to build their stories more around people or institutions, and less around events. This was supposedly especially true of coverage of the presidency. The White House became a backdrop for the president. But even elsewhere, government stories became focused around a single personality, perhaps the mayor in a town, taking on the special interests. Politics became more personal. Television was a character-driven medium.

Does the 2003 content bear this out? To a large degree, no. In all, only 23 percent of evening news stories focused at least half of their content around a single personality, even less than newspapers (32 percent and 28% on newspaper front pages).

Morning Shows

If the nightly news is still built around correspondents and taped, edited packages, morning news is not.

Instead, the majority of time on morning news is spent in live interviews (55 percent), usually conducted by anchors. Only about a third of the time on morning news is taped, edited packages (36 percent).

Reading of the news by people on these programs accounts for 5 percent of the time (but 31 percent of the stories), usually in the news summary at the top of the hour, read not by the main anchor but a separate “news” anchor or reader.

Story and Segment Length

Time is also spent differently in the mornings than on evening news. The shows produce fewer very short stories, 40 seconds or less, (29 percent versus 42 percent on commercial evening news). They also air fewer stories between 90 seconds and three minutes (30 percent versus 48 percent on commercial evening). Instead morning news relies more on long segments, over three minutes. Nearly a third of morning segments go that long, (31 percent versus 4 percent at night). This may be part of the morning news’ appeal. But these are usually interviews, not stories. And that has consequences.

Sourcing

Since morning news relies so heavily on interviews as the story-telling medium, audiences are getting their information from fewer sources, usually just one or two people being interviewed by the anchor. The ability to double-check what these people are saying against the facts, or balance that with not only opposing views but also with independent or neutral experts, is more limited. It is by no means impossible, but it is more difficult, and, we found, not often done.

Only 8 percent of stories or segments on morning news had the highest level of sourcing and transparency – four named sources whose expertise and potential biases were explained so that audiences could judge their credibility. (That compares to 18 percent on commercial nightly news).

Format alone is not the whole explanation, though it is a significant part. The “NewsHour,” with a similar format, was more likely to have the highest level of sourcing (13 percent of stories, compared to 8 percent for morning).

What about anonymous sourcing? In all, 27 percent of morning stories included at least one anonymous source with some attempt to describe for audiences why the source was credible. This was about the same as nightly network news. And 7 percent of stories included at least one blind anonymous source, about half that of nightly news.

Protagonists

Morning news also stood out for focusing its segments and stories more around people as central protagonists. Nearly half (48 percent) of all stories or interviews primarily concerned how something affected a central protagonist in the action: How do you feel about your son coming home from Iraq? Or how will this affect the president? Or did Kobe Bryant rape that woman? That was a good deal more than commercial nightly news (23 percent) or newspapers (32 percent) and markedly more than on the “NewsHour”(20 percent).

Prime Time News Magazines

This year’s study did not include a separate content analysis of prime time news magazines. But two previous studies of those programs, in 1997 and 1999, showed a clear pattern. With the exception of “60 Minutes,” the magazines in no way could be said to cover major news of the day.⁶ Instead, these programs, up against prime time entertainment shows, specialize in lifestyle and behavior stories, consumer news-you-can-use pieces and celebrity entertainment. In the 1997 study, 55 percent of their stories concerned these issues. In addition, 23 percent concerned crime.

Only 8 percent of stories concerned the combined areas of education, economics, foreign affairs, the military, national security, politics, government or social welfare issues. A similar audit of the magazine programs two years later by the journalist Marc Gunther published in Nieman Reports found similar results.

The CBS “60 Minutes” program stands out as an exception, more likely to touch on issues or topics that involved major events of the day. At the mid-way point in the 2003 – 2004 season, the program aired 12 foreign segments out of 50, about 22 percent, according to an audit compiled for a yet-to-be-published paper by Elizabeth Weinreb, Director of Special Projects at Columbia University Graduate School of Journalism and a former journalist at “60 Minutes.”⁷ That

percentage is about what the show averages in a regular season, according to “60 Minutes” staff calculations. The other exception is “Nightline,” the ABC news program that differs from the magazines not only in content but also in time slot and in format. It remains probably the most serious and distinctive news magazine program on television.

Why have the magazines other than “60 Minutes” and “Nightline” moved so far away from major news events? It wasn’t always this way. Over the past 20 years, the main mission of prime time news magazines has changed. When “60 Minutes” began in 1968, it was largely seen by CBS as a way to fulfill Federal Communications Commission requirements for public affairs broadcasting. While the network would have liked the show to make money, the other needs it helped meet sustained the show through seven years of poor ratings when it aired irregularly in the Tuesday night 10 pm time slot. It was not until 1975, when CBS moved the show to the dead hour between 7 and 8 p.m. on Sunday that it became noticed. By 1978 it was among the top 10 rated programs on the air and it has been a big success and moneymaker for CBS ever since. 8

Seeing that news magazines could be moneymakers – and, more important, moneymakers that could be produced relatively cheaply compared with most entertainment programs – the networks went on a news magazine binge in the 1980s and particularly the 1990s. But as revenues and ratings became the new bottom-line, that brought changes in how segments were put together and how they were selected. These programs were competing with entertainment shows and that affected content.

Topics that scored viewers on one program began appearing on different shows within weeks or even days of each other. Tom Yellin, the executive producer of “Peter Jennings Reporting” on ABC summed up the problem this way: “Deciding you want to do a story because you think it’s interesting is a risk. If it doesn’t work you will be called to account.” 9

To determine a segment’s success, according to Weinreb, many executives turn to research, including minute-by-minute ratings, to determine what kinds of stories hold viewers. And some networks tested story concepts to determine whether segments were winning the “right” (i.e., young) viewers.

The result is that most programs are largely not the home of heavy investigative pieces anymore. And the long-term trend here may be troubling for news professionals when one looks at what is drawing desirable demographics. President Bush’s first interview about the war in Iraq after the capture of Saddam Hussein on ABC did not win the ratings battle for younger viewers. More were tuned into Paris Hilton’s turn on Fox’s reality program “The Simple Life.”

See end of report for content analysis methodology.

Footnotes

1. The full programs were studied for the network evening news programs and the PBS "NewsHour." The first hour of the network morning news programs was studied. The 110 hours of programming encompassed more than 66 hours of editorial matter.
2. Lichter's research, for instance, finds that international coverage dropped from half the stories on nightly news in the early 1990s to as little as 20 percent of the stories in 1997. Environmental coverage dropped by 65 percent from 1990 to 1999. Entertainment coverage was up 28 percent from 1990 to 1999. Crime news was up 37.5 percent from 1990 to 1995, and, after declining at the end of the decade, again was still 45 percent higher in 2000 than a decade earlier.
3. These breakdowns were calculated by taking the total number of seconds devoted to each topic overall, dividing by 60 (seconds), and then dividing by 3 (three commercial networks). This results in an average number of minutes on a commercial network over the course of 28 days.
4. Before 1963, network evening newscasts were 15 minutes long, not 30.
5. This difference also holds up if one looks at the percent of all stories as opposed to all time. More than half, 52 percent of all commercial network stories are edited packages, compared with 17% of stories on the "NewsHour."
6. See "Changing Definitions of News," Project for Excellence in Journalism, March 6, 1998; and Marc Gunther, "The Transformation of Network News," Nieman Reports, Summer 1999, p. 26.
7. Elizabeth Weinreb, "The News About News Magazines."
8. Elizabeth Weinreb, "The News About News Magazines."
9. Interview with Tom Yellin, February 2004.

Network TV Audience

Audience

When it comes to audiences of network news, the headlines are generally grim. Only one or two programs are increasing their audiences. For most, flat ratings are a victory. The networks are showing no real signs of innovation or of creating genuinely new kinds of news programming that might win new audiences. The lone exception is morning television news, which saw an upturn in 2003.

Some points:

- The three nightly newscasts have seen ratings decline by 34 percent in the past decade, nearly 44 percent since 1980, and 59 percent from their peak in 1969. ¹
- The war offered the nightly news little bump in viewership in contrast with past major news events. ²
- Morning news is the one relative bright spot for the networks, with audiences holding steady rather than declining over the past 10 years. It had an increase in audience size in 2003 and in 2000 as well. ³
- The best evidence suggests it is availability, rather than content, that is hurting evening news, but there seems little opportunity to change that.

The Nightly Newscasts

The problems confronting the network news divisions are most acute, and for fans of traditional news, most alarming, in the falling fortunes of nightly news.

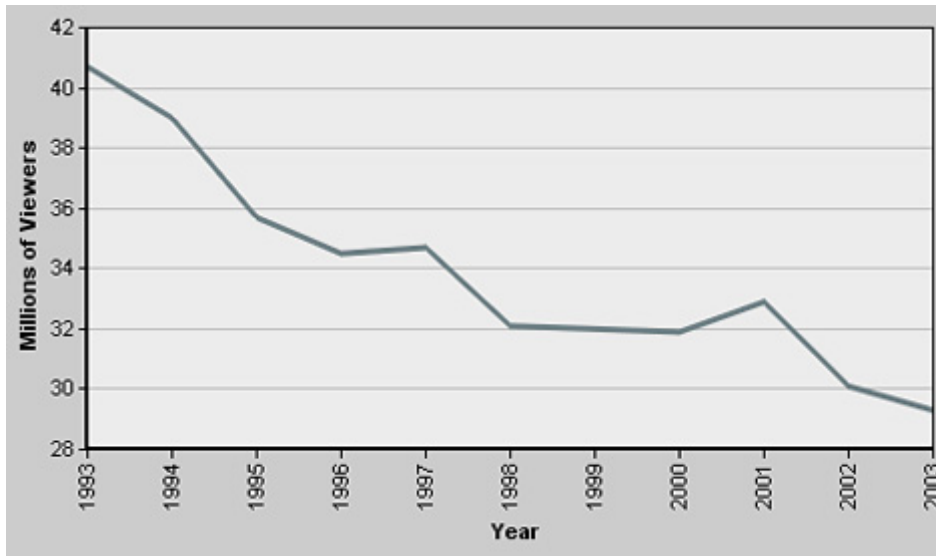
Television audiences are counted numerous ways. The most familiar is ratings, which count the number of all television sets in the United States tuned to a given program. Share is the percentage of just those sets in use at a given time tuned in to a program. Viewership is ratings converted into the number of people actually estimated to be watching, taking account of the fact that often more than one person is watching a given set.

In November 1980, the year CNN was launched, 75 percent of television sets in use were tuned to one of the three nightly network newscasts each night during the dinner hour. In 2003, it was a 40 percent share.

Of all television homes, 20.6 percent were tuned to the nightly news in November 2003, a drop of 44 percent from 1980, when the networks' nightly news broadcasts had a combined 37 rating.

Yet, much of this decline did not come with the advent of cable, between 1980 and 1990. The drop in audience has been even steeper in the last 10 years, as the number of cable outlets has proliferated, than in the previous 13 years. ⁴ A decade ago (November 1993), 40.7 million Americans watched the nightly newscasts. By November 2003, that number was 29.3 million, a decline of 28 percent in 10 years. ⁵

Evening News Viewership, All Networks
November 1993 to November 2003



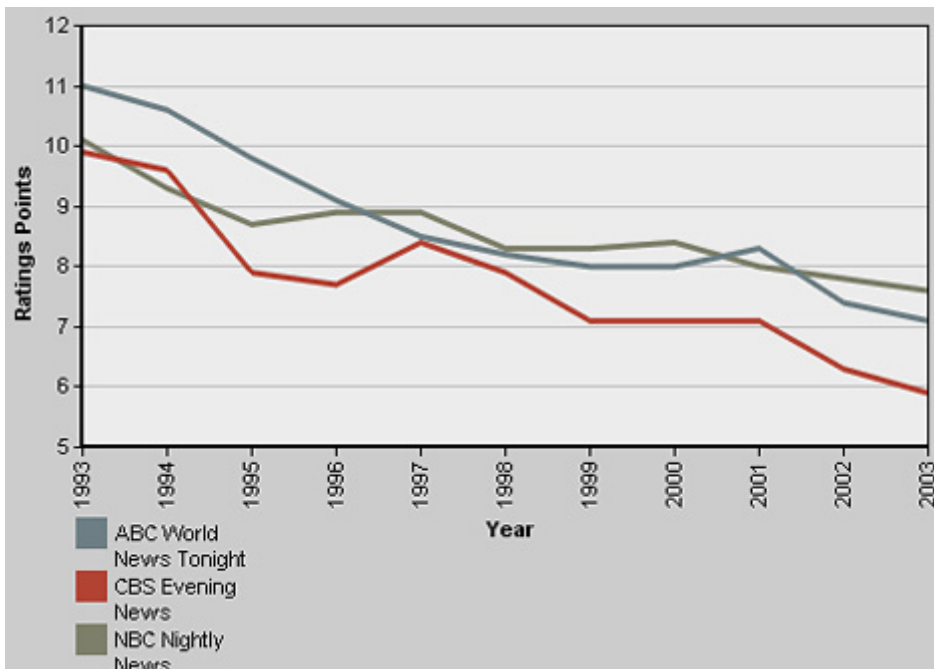
Design Your Own Chart

Source: Nielsen Media Research unpublished data, www.nielsenmedia.com

The decline from the historic peak of nightly news audience is even steeper. In 1969, when viewing choices were admittedly limited, the three network newscasts were watched in 50 percent of all American homes and 85 percent of the homes tuned to television at the time that the newscasts were shown. 6 Since then, ratings have fallen by 59 percent. Share has fallen 53 percent.

Evening News Ratings

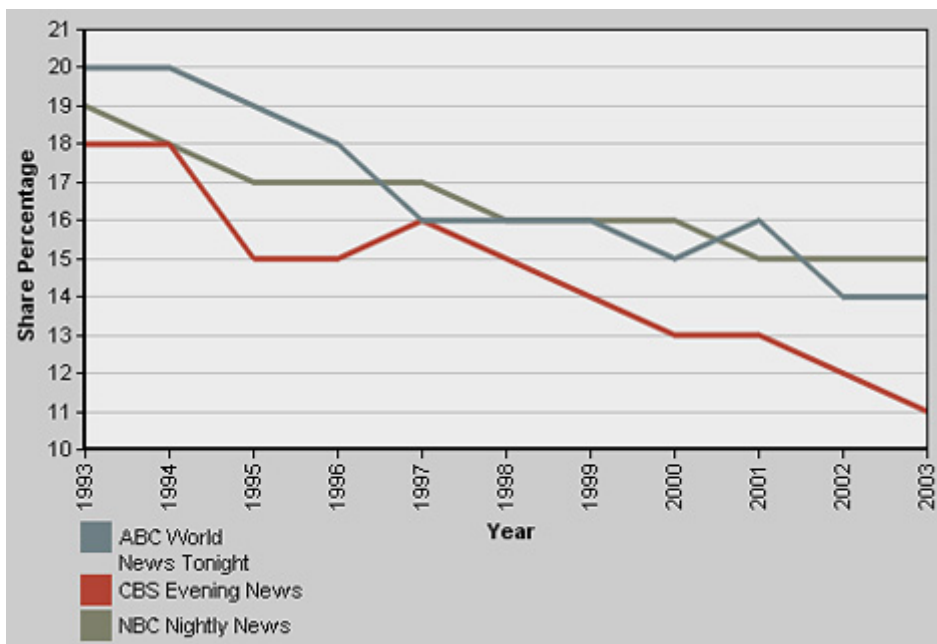
November 1993 to November 2003



Design Your Own Chart

Source: Nielsen Media Research unpublished data, www.nielsenmedia.com

Evening News Share
November 1993 to November 2003



Design Your Own Chart

Source: Nielsen Media Research unpublished data, www.nielsenmedia.com

What is driving the flight away from nightly news? How much is it a loss of viewers to cable, or a migration of people to the Internet? Is there a decline in interest in news generally? Do people dislike the changing content of the newscasts? Or how much is the increasingly disadvantageous time slot of nightly news to blame or the shift to more two-income families and longer commutes?

Certainly some of the fall-off seems an inevitable result of technology creating more alternatives. In the 1970s many viewers had only three or four choices on their broadcast television dial. Cable arrived in 1980, expanding the range of television choices to 20, then 30, then 40, or in the case of some cable or satellite systems, 200 or 300 channels. The number of broadcast stations also grew, with the development of UHF stations, and the Fox network (see [Cable TV Audience](#)).

Research also suggests that the Internet, including Web sites associated with the networks themselves, has drawn audience more from television than other media, but the extent of that is difficult to assess. A 2000 survey from the Pew Research Center for the People and the Press found that those who regularly went online reported watching less network television news than two years earlier. ⁷ Fewer watched television news overall, and those who did watched less of it. Meanwhile, viewing among those who did not go online was unchanged. It is unclear, however, to what extent this trend has continued in the last three years.

Local television news, too, now has access to many of the same pictures and stories that were once the exclusive domain of the networks; in recent years local television news viewership has also declined somewhat (see [Local News Audience](#)). In 1980, the three commercial networks monopolized national and international news, releasing their footage on these stories only after they had been broadcast on the networks, and even then only in limited amounts. CNN changed that by offering to share its footage with local stations in exchange for their material. In response, the networks began to increase feeds to affiliates. In the process, they inevitably hurt their own newscasts, making them stand out less.

Tastes also have changed. More people brought up on infotainment may prefer lighter fare and may get more of it elsewhere. The branding that comes with specialization (“CNN, the Most Trusted Name in News” or “Fox News, We Report, You Decide”) may also be luring viewers away. In an age of such niche fragmentation, a single one-size-fits-all newscast may not appeal to as broad an audience.

Nightly newscasts are also hurt by their fixed time slots compared with the ubiquity and convenience of cable. In the 1970s, the nightly news was generally on later than it is now in most markets – 7 p.m. – and many more Americans were home, in single-income families, and the working fathers had notably shorter commutes. Today, the evening newscasts are often on much earlier, as early as 5 or 5:30 p.m. in some West Coast markets. On the West Coast, the evening news programs have the added problem of being tape-delayed. Viewers know the news they are watching is three hours old. Cable and local news has the advantage of being more up to date.

Add to that the fact that the so-called dinner hour simply offers less of an audience than it once did. Fewer people are home, particularly working people, as commuting times have lengthened, and many parents are seeing their children for the first time since the early morning. The evening news time slot is probably the most disadvantageous on television.

Changes in the content of network evening newscasts may also be a factor. As the evening newscasts have lost viewers, they have cut back on their newsgathering. This has led to a decline in the number of bureaus and beats, and a shrinkage in the number of minutes of news produced in each program (see *Newsroom Investment*). The evening newscasts have also tried changing their tone, particularly in the mid-1990s, doing more lifestyle coverage and less traditional news about national and international affairs (see *Content*).

The changes in content and the shift toward seeing news divisions as profit centers have had other implications. The news divisions see themselves as having a different responsibility and persona in American life than they once did. The networks once felt obliged to do authoritative documentaries on major issues of the day – “NBC White Papers” or “CBS Reports,” for instance – which burnished the networks’ image as serious public institutions. Today, the network documentary has been replaced in prime time by the news magazine program, shows that are much closer to a form of nonfiction reality entertainment than an exercise in social responsibility.

To some extent, all these changes – the new character of existing programs, the growing importance of the morning shows compared to the evening newscasts, the elimination of public obligation programs and their substitutions with infotainment news programming – contribute to the public’s no longer seeing network news divisions as authorities to turn to each day, or even on special occasions, for information and insight.

Most likely, all these factors are at play, interacting with each other.

One element here, the impact of time slot, is sometimes overlooked and deserves more comment. While the nightly newscasts are on a downward path in terms of viewers, what may be even more remarkable, given the increasing disadvantages of the time slot, is how many people still watch. Nearly 30 million viewers each night make the network news programs the three most-watched and influential news outlets in America, even if they have become something of a familiar punching bag for television writers and perhaps even a subject of doubt for their owners. ⁹

Twice as many people watch these programs as are watching the morning shows at any given time. More than three times as many people watch each of these programs as read any of the nation’s biggest newspapers.

Yet these viewers tend to be older and thereby not so attractive to television advertisers, which are highly concerned with attracting young audiences. Money, rather than solely demand, has relegated what some might argue is the best of network news to a subordinate position and has made the problems of the evening newscasts something it is not clear the networks are willing fundamentally to address. Many in network news privately worry about how long the networks want to produce signature evening newscasts at all. ¹⁰

One comparison that seems relevant to understanding this is network versus local viewership. For many years of network news decline, local news programming seemed to hold its audience, in part, as indicated above, because satellite technology had led to their offering national and international news before the networks did. But today local news is also no longer holding its audience.

Since the late 1990s, local news and the networks appear to be losing audience at roughly the same rate. Nielsen data gathered by the financial research firm BIA show that, on average, early evening local news programs, which usually are broadcast right before or right after the network evening news, have suffered a combined market share decline from a 50 share in 1997 to 41 in 2003. ¹¹ (See *Local TV Audience*.) This tracks almost exactly with the decline in network evening news share, which has gone from a 49 share in 1997 to 40 in 2003. In any kind of television programming, news or entertainment, the size of the audience of the lead-in program is a dominant factor in determining the size of the audience of the program that follows.

But network news has not suffered as much audience loss as other network programming. Between 1993 and 2001, for instance, according to the Cable Television Advertising Bureau, the three networks saw their share of prime time audience drop by 42 percent. Nightly news during that time dropped 23 percent. ¹²

The Race Among the Networks

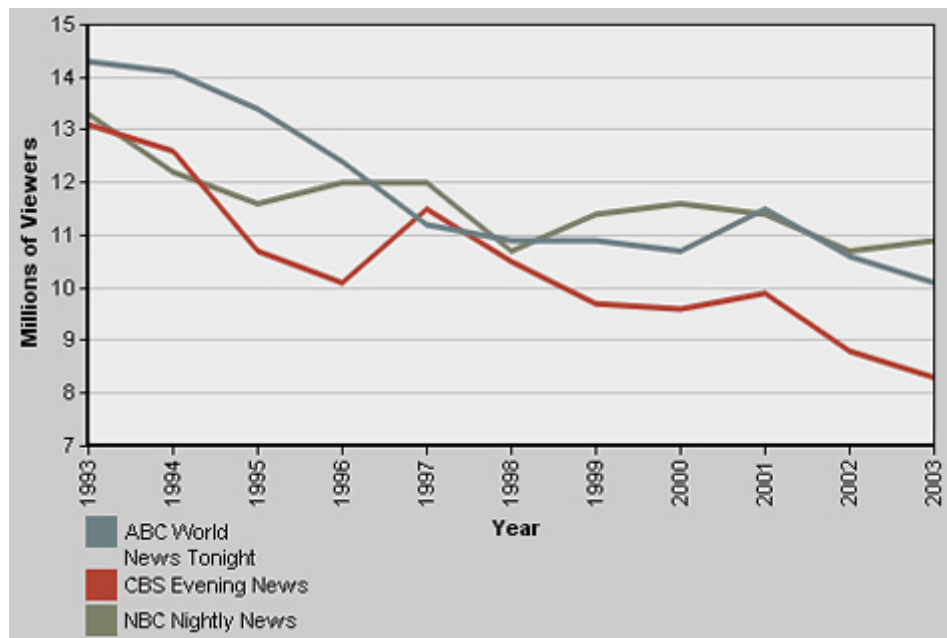
Which of the three networks is on top in the evening news?

This was once a vital question. In the late 1980s and 1990s, the evening newscasts contributed big profits to the networks. For even longer, being No. 1 in nightly news was a key to a network's brand, adding prestige. It gave the news divisions not only bragging rights, but better access to newsmakers as well.

For much of that time, the history of network news was characterized by several distinct eras. In the early 1960s, the "Huntley-Brinkley Report" on NBC dominated. In the late 1960s and 1970s, Walter Cronkite on CBS was No. 1, and that newscast continued to lead for some time in the 1980s when Dan Rather took over. NBC News was emerging as No. 1 until General Electric took over the network in the mid-1980s and made moves that caused the network to temporarily stumble. In the late 1980s and early 1990s, Peter Jennings' ABC "World News Tonight" dominated. And in the late 1990s, a resurgent NBC saw Tom Brokaw on top, although this owed more to the other networks losing viewers than NBC gaining. 13

Evening News Viewership

November 1993 to November 2003



Design Your Own Chart

Source: Nielsen Media Research unpublished data, www.nielsenmedia.com

Throughout 2003, NBC had a narrow edge in ratings, followed closely by ABC, then, farther back, by CBS. 14

To understand the race, consider the fortunes of each network over the last decade. Using numbers from the critical November sweeps month, the CBS "Evening News" with Dan Rather has seen the biggest decline. Its viewership has fallen 37 percent in the last decade (from 13.1 million viewers in 1993 to 8.3 million in 2003), and even more since 1980. "World News Tonight's" viewership on ABC has fallen 29 percent (from 14.3 million viewers in 1993 to 10.1 million in 2003). NBC's "Nightly News" has fallen the least, but still a substantial 18 percent (from 13.3 million viewers in 1993 to 10.9 million in 2003), according to Nielsen data. These Nielsen numbers actually show a near 2 percentage-point gain for NBC in the last year. 15 NBC's "Nightly News" took over the No. 1 spot in 1997, and has remained there most weeks since.

Why has NBC fared better generally over the last seven years? A detailed analysis of one program over another is not the focus of this report. But some mention of possible factors can show how complicated the mix of variables can be. NBC has the advantage of having a cable network and one of the biggest news sites online with MSNBC.com, which was launched in 1996. Strategically, each of the brands was supposed to reinforce each other. Loyalists to MSNBC.com would naturally turn to its siblings when they wanted broadcast (NBC) or cable (MSNBC) or even financial news (CNBC). NBC has almost one minute more of news content above the three networks' average, which, given channel switching during commercials, is probably also significant. In addition, the popularity of the "Today Show" in the morning may be another factor, building loyalty to NBC News as a brand, which spills over into viewers watching the network's nightly news as well. According to at least one survey by TV Guide, Tom Brokaw is the most trusted anchor on television, either network or cable, although it is not known whether this is a result of Brokaw's audience size or the cause of it. 16 Another

important factor was that during much of this period, NBC had the most successful prime time lineup of the three networks.

It must be stressed, however, that NBC took the No. 1 spot more because of ABC losses than NBC gains. In 1994, when NBC was third in the ratings, it had 11 percent more viewers than it does today, when it is No. 1.

The Age Factor

The ratings trends for nightly newscasts are a problem by themselves, but the age issue makes the long-term prospects even more complicated. Not only are their audiences shrinking, but they are also getting older. The commercials on a network evening newscast tell something about the audience. They are often a string of pharmaceutical ads aimed at older Americans.

The median age of network evening news viewers in 2003 (from 59.5 for ABC to 61.2 for CBS) is around 10 years older than network programming as a whole (which was 45.7 to 52.2 in 2002). For the American population as a whole, the median age is 35.3. ¹⁸ This makes the nightly news a less attractive sell to advertisers, preoccupied with youth (see *Economics*) and thus less lucrative for the networks. According to network officials, the ad rates networks can charge for older audiences are substantially less, perhaps even a third lower, than those charged for the youngest demographics. ¹⁹ In terms of long-term strategy, moreover, what happens in 10 years when a significant portion of the network news audience has died?

The Networks in 2003: War No Cure for the Problems

Traditionally in times of national crisis, like the war in Iraq, viewers have turned to the networks for coverage, if not the first night, then within a day or two.

That did not happen in 2003 with the war in Iraq, and some television writers called this an important change, another signal of decline for the network news and the evening newscasts in particular. ²⁰

The total number of viewers tuned to nightly news actually dropped during the war. After rising just slightly the first week of the war, to 32.2 million viewers, nightly news viewership fell as the war continued. The number of viewers on the three nightly newscasts dropped by 2.7 million the second week of the war and 1.6 million more the third week as American soldiers got to Baghdad. ²¹ On cable, by contrast, ratings more than doubled during the war (see *Cable*), though that audience has vanished since. ²²

Does this spell an even more dire future for nightly news, as some journalists have predicted?

Not necessarily.

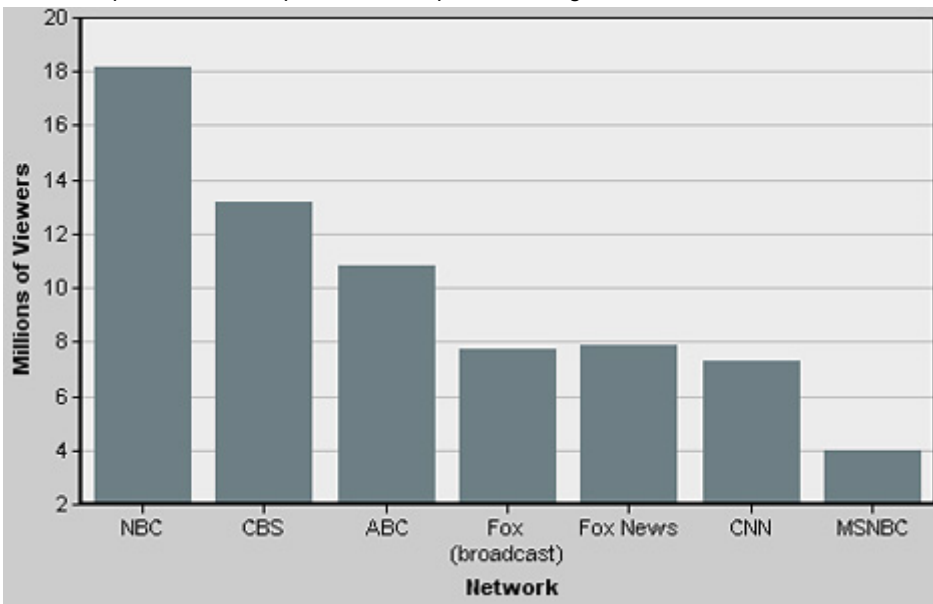
A closer look at the Iraqi war ratings suggests two other lessons.

In a head-to-head moment, when cable news and network news are both in continuous live coverage, Americans still prefer the old broadcast networks.

On the first night of the war, from 9:30 to 11 p.m., 42.2 million people turned to the three networks and their nightly anchors, according to estimates made by Nielsen. Less than half as many (19.2 million viewers) tuned to the three cable networks, and 7.7 million more turned to Fox News on broadcast. Combining Fox broadcast and Fox cable would put Rupert Murdoch's two channels in second place among the networks (at 15.6 million), well behind the combined NBC and MSNBC (at 22.2 million). But that would be ahead of CBS (at 13 million) and ABC (at 11 million), neither of which has a news cable sibling. ²³

Breaking News Viewership, First Night of Iraq War

Viewership between 9:30 pm and 11:00 pm on the night of March 19th, 2003.



Design Your Own Chart

Source: Jesse Hamlin, "NBC declares victory in war's TV ratings battle," *San Francisco Chronicle*, quoting Nielsen Media Research data.

A further look at the ratings also suggests that people turn to network for some things and cable for others. During times of intense crisis, the continuous 24-hour coverage of cable may be appealing. Indeed, the networks converted to continuous coverage during the first two days of war and saw viewership spike, then went back to regular programming and saw viewership fall. The contrasting formats we found in the content of evening newscasts versus cable are also instructive. Evening news specializes in taped packages, cable in live stand-ups. The Pentagon's embedded reporter program tended to showcase cable skills (felicity with extemporaneous first-person monologue) and made traditional newsgathering (interviewing, fact-checking, getting all sides of the story, editing) logistically impossible.

But during other times, when events are moving more slowly, people may still look to the somewhat more reflective coverage offered by the once-a-day evening newscasts. The run-up to war may be a case in point. Nightly news viewership actually rose in the weeks leading up to the war. The highest ratings in 2003 occurred in mid and late February, when 32.7 million viewers tuned in to the three evening newscasts, according to Nielsen Media Research. The Tyndall Report said that these two weeks were dominated by coverage of Hans Blix's preliminary report on Iraq's weapons programs and the United Nations debate on a resolution in support of using military action against Saddam Hussein. ²⁴

NBC Fares Best, Wins the War

The network that drew the most viewers during the war was NBC. In the first week of the war, NBC's "Nightly News" recorded its single highest number of viewers for the entire year (13.2 million viewers). While NBC's "Nightly News" picked up a point in share during the week, ABC and CBS lost a point each, though the bump in viewers at NBC was short-lived. One interpretation of these share figures is that NBC's gain was at the expense of ABC and CBS. ²⁵ Yet another interpretation is that during major news events, marginal news viewers tune in to the network nightly newscasts, and do so disproportionately to the time slot leader (in this case NBC). At the same time, some hardcore evening news viewers, news junkies, defect to 24-hour cable. Thus ABC and CBS might have lost more viewers to cable than they gained in new viewers, while NBC gained more than it lost to cable. This is, however, only a theory.

Morning News

After a night of bad news, network executives are probably quick to tell themselves things will look better in the morning.

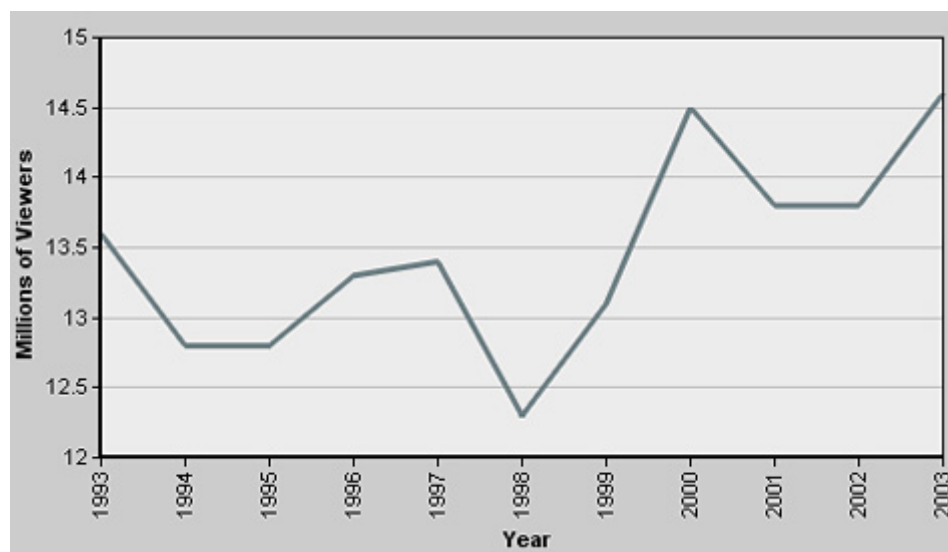
And they do. Morning show viewership, in contrast with evening, has held steady and in some cases has actually risen slightly in recent years.

As of November 2003, 14.6 million Americans watched the three network morning news shows, one million more than a decade earlier.

The rise has not been steady. For instance, looking again at the critical November sweeps numbers, ratings rose in 2000, during the Florida election fiasco (14.5 million Americans watched the morning shows). Yet a year later, as the U.S. moved into Afghanistan after September 11, the number of people watching the morning shows was actually smaller (13.8 million). The number drifted upward again in November 2003. 26

Morning News Viewership, All Networks

November 1993 to November 2003



Design Your Own Chart

Source: Nielsen Media Research unpublished data, www.nielsenmedia.com

Why have morning shows proved more stable than evening? Again several factors likely converge here.

Clearly the question of time slot is significant. The morning shows are on, or at least begin, when most Americans are still home, just starting their days. The number of people home in the evenings is shrinking.

The researcher Andrew Tyndall also theorizes that on the two top morning shows – the “Today” show on NBC and “Good Morning America” on ABC – a factor in their appeal is that they offer 20 minutes of content without commercial interruption. People wanting news and information, or even diversion, in the morning and getting ready for work will leave when the commercials start. In an age of growing commercial time, this stands out.

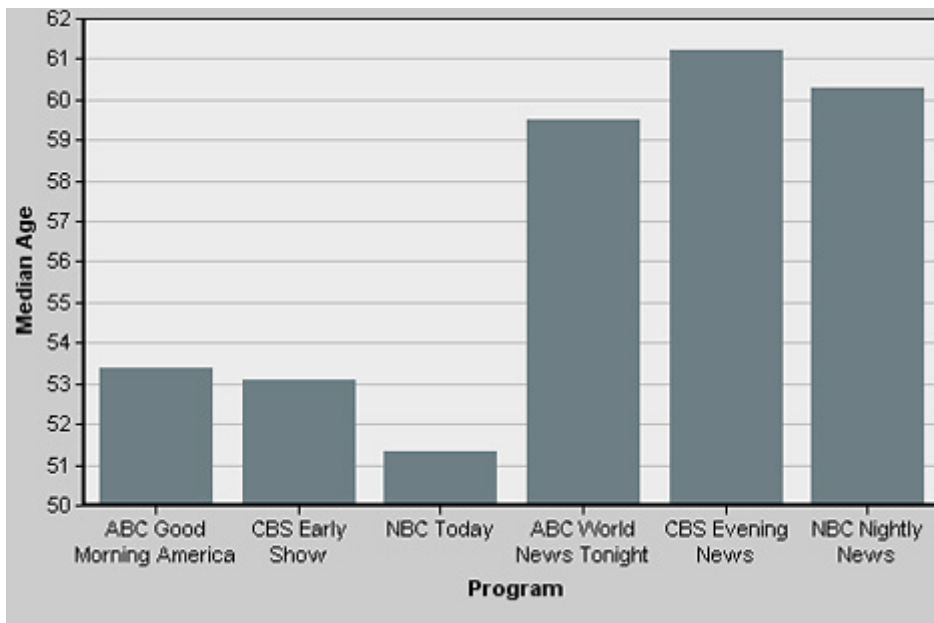
The morning shows are also far more flexible and lighter in content. They can fill their time with infotainment, scandal mongering, tabloid fare, thinly veiled reality programming (wedding planning or makeovers) or seasonal recipes, all with a straight face. Or they can devote the first half-hour to news from Iraq or Washington, although they do not often do so.

The morning shows have also tinkered with their formats and changed their looks somewhat more than the evening newscasts to keep viewers interested and freshen their genre. In 1994, NBC began the wave of changes when it moved the show back to a ground-floor studio in Rockefeller Center in New York City that had a window out onto the street (as it had in its earliest days with its first host, Dave Garroway) and began to incorporate the street crowd more in the program. Not long after, CBS and ABC followed suit with their own elaborate studios. 27 (The trend has also spread to cable: both CNN and Fox News use street-side studios for their morning programs.) Morning musical guests and street concerts also became a bigger part of the morning show routine in this time. And the weather segments have become longer features that involve the assembled throng. In many ways, too, the anchors of the “Today” show and “Good Morning America,” particularly Katie Couric and Diane Sawyer, are the biggest stars of the news divisions today, the most highly paid and promoted.

Morning news programs are attractive to advertisers because they provide access to a younger audience than the evening programs. In fall 2003, according to analysis by Magna Global USA, a market research firm, the median age for each of the networks morning shows audience ranged from 51.3 to 53.1 years, compared with 59.5 to 61.2 years for each of the network’s evening shows. 28 Looked at another way, while the 25-to-54-year-old audience for evening news is 27 percent larger than the morning news audience, the 50-plus demographic is 145 percent higher than the same demo during morning news. The morning shows are a more efficient way to reach the younger audience that advertisers prefer. 29 The

morning programs also get “softer” as the younger demographics go to work and the nonworking mothers and older viewers remain at home.

Median Age of News Program Audience



Design Your Own Chart

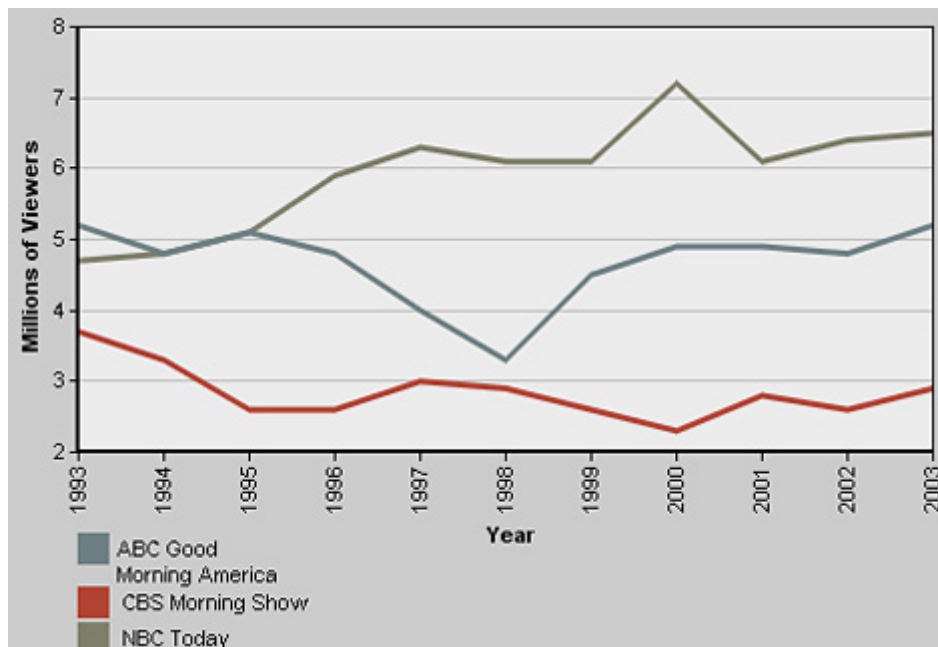
Source: MagnaGlobal USA, “Daypart briefings”

“Today” on Top

Among the morning shows, NBC’s “Today” has been the clear leader since 1995. Its viewership had actually risen to the top spot by a significant margin in the mid-1980s but declined after the network’s takeover and shakeup by General Electric. “Today” vaulted back to the top in the mid-1990s after the arrival of Katie Couric and after it moved to its street-level studio, largely taking viewers from ABC. Overall, “Today’s” audience is 38 percent larger than it was a decade ago (6.5 million viewers in November 2003, up from 4.7 million viewers in November 1993). 30 “Today’s” totals peaked at 7.2 million in November 2000 when NBC’s Tim Russert appeared on an almost daily basis, having sealed his reputation as a political oracle with his Election Night blackboard prediction that results would depend on “Florida, Florida, Florida.”

Morning News Viewership

November 1993 to November 2003



Design Your Own Chart

Source: Nielsen Media Research unpublished data, www.nielsenmedia.com

ABC's "Good Morning America" now draws the same number of viewers that it did a decade ago, but it has been a roller coaster ride. The No. 1 morning show in 1993, its audience fell by 36 percent by 1998. After revamping the show around Charlie Gibson and Diane Sawyer in 1999, it had rebuilt its audience by the November 2003 sweeps back to 5.2 million viewers. That had narrowed the gap with "Today" but still put it in second place by 1.3 million viewers. 31

CBS's "Early Show" is a distant third. Despite ups and downs and format changes, its audience in November 2003 was 21 percent smaller than a decade earlier. 32

The Sunday Shows

Another franchise of network news that deserves note is the Sunday morning talk show. In recent years, "Meet the Press" on NBC, whose host is Tim Russert, has established itself as the dominant ratings leader. At the end of the 2002-2003 season, it led its nearest competitor, CBS's "Face the Nation," with its host, Bob Schieffer, by 1.8 million viewers (4.7 million versus 2.9 million). Since the 1997-1998 season, it has led consistently. ABC has changed the format of "This Week," with George Stephanopoulos as host, under producer Tom Bettag and a team from Nightline. This is worth watching. At the end of the 2002-2003 season "This Week" averaged 2.75 million viewers.

The Cable News Challenge

It is difficult, as mentioned before, to apportion precisely where network news audiences are going to, given the variety of changes that have occurred in technology, competition and lifestyle, plus the content of network news.

But since the steepest decline in network viewership dates back to the 1980s and the advent of cable, it makes sense to look closer at the impact of that medium.

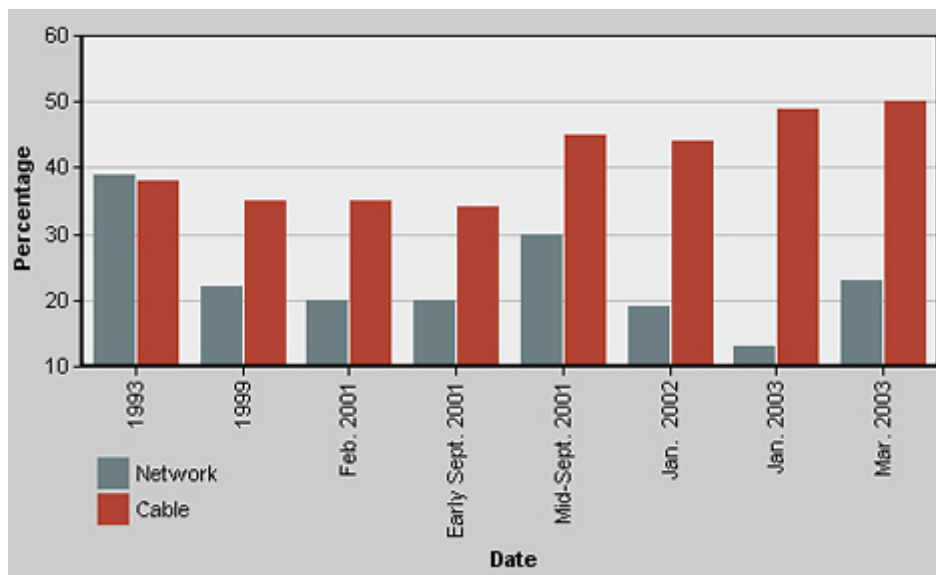
Network executives are quick to point out that, even while ratings have dropped, more than 29 million people still watch the networks news on average in the evening, and just under 15 million still tune in for the morning shows. Those numbers far outstrip any cable network news program at anytime, even when the cable networks' highest-rated programs are airing. There are 2 million people watching the average cable news program in prime time, but that figure hardly matches the losses in network viewership in nightly news. 33

Ratings and viewership, as cable executives are quick to note, are not the whole story. Ratings tell only how many people are watching a given program. They do not add up how many different people cumulatively turn to cable or network news over the course of a day, a number analogous to unique visitors in the online world. This, cable professionals say, is important in understanding the appeal of their medium.

To more fully assess the flight of network news audiences, one must turn to survey data. These suggest that a more significant part of networks' loss has been cable's gain. Contrary to the ratings data, according to studies by the Pew Research Center for the People and the Press, more people now prefer cable news than network news as their source for national and international news. As far back as 1993, when CNN was the sole cable news channel, the public was as likely to turn to cable as network. By 1999, Pew data showed cable with a 13-point advantage over network. In March of 2003, the gap had widened to 27 percentage points.34

Where People Go for National/International News, Network vs. Cable

Do you get most of your news about national and international issues from network TV news, from local TV news, or from cable news networks such as CNN, MSNBC, and the Fox News Channel?



Design Your Own Chart

Source: Pew Research Center for the People and the Press unpublished data, www.people-press.org

* Dates not to scale. Based on survey responses. Respondents allowed to give two answers.

Why? Is there something in the nature of cable news content that people prefer over network news content? Or is this preference for cable a function of availability?

Here the superior ratings of network news programming over cable become relevant. In head to head competition, when network news and cable news are on at the same time, network news prevails, and by a large margin. This suggests that people apparently do not prefer the way cable does the news; they prefer its instant availability. The age of appointment news – when people would structure their time to wait for a certain program to come on – has faded. People now want their news, or their kids' programming, or their cooking show, when they want it.

One question is what the networks will do when the current evening anchors retire. Will audiences for evening news shrink further when the familiar faces are gone? If so, will the networks decide to abdicate covering news nearly entirely, having skeletal crews that can offer just enough traditional hard news to fill a morning show or an occasional prime time magazine segment, but not purport to cover the world in any comprehensive way? Or will they seek newer ways of offering news, perhaps to a younger audience? Some say NBC has already taken steps in this direction with CNBC and MSNBC.

Researcher Andrew Tyndall says, "NBC has become the cross-medium multi-demographic news division for the entire conglomerate. It was a great institutional failure of ABC News and CBS News not to have replicated what NBC News has done. If, for example, CBS News was responsible for news for children (on Nickelodeon), for youth (on MTV), for African-Americans (on BET), for men (on Spike), on the radio (Infinity) and so on, it would once again address the mass market that Cronkite once did and put the Tiffany in Viacom, as it were. That potential audience for CBS News is already waiting in Viacom's distribution system, but the news division just does not have the vision or the corporate ambition to revive its once-famous name." 35

Footnotes

1. Nielsen Media Research unpublished data, www.nielsenmedia.com.
2. Associated Press weekly wire stories for 2003.
3. Nielsen Media Research unpublished data.
4. Nielsen Media Research unpublished data.
5. Nielsen Media Research unpublished data. Nielsen also collects this data by households rather than viewers. The data show a 24 percent drop in total households for network news since 1993.
6. Craig M. Allen, *News Is People* (Iowa State University Press, 2001), p. 65.
7. "Internet Sapping Broadcast News Audience," Pew Research Center for the People and the Press, June 11, 2000, P. 1. In 1998, 59 percent of both Internet and non-Internet users reported watching nightly network news on a typical day. In 2000, the percentage of Internet users who regularly watched had dropped to 53 percent. In addition, the number of Internet users who reported watching at least a half-hour a day of network television news dropped from 48 percent in 1998 to 40 percent in 2000. Among non-Internet users, meanwhile, Pew found virtually no drop-off in the amount of time spent with network news.
8. According to data collected by the Census Bureau, the average commute in 2000 was 25.5 minutes, three minutes longer than in 1990, when the average commute was 22.4 minutes. By comparison, the change in commuting time between 1980 and 1990 was only 40 seconds (from 21.7 minutes to 22.4 minutes). See U.S. Census Bureau American Factfinder, "A Nation on the Move," 2003, and Federal Highway Administration, "Journey to Work Trends in the United States and Its Major Metropolitan Areas, 1960-1990," Table 2-2. Online: http://www.itsdocs.fhwa.dot.gov/jpodocs/repts_te/6@w01!.pdf.
9. Nielsen Media Research unpublished data
10. Numerous on-air and off-air senior people in network news have aired this concern privately to the authors of this report over the years.
11. BIA data. The numbers also show a drop in late local news, after prime time. Late local news shows have seen their audience share drop from 57 to 48. The higher share numbers for late night news suggest that it is seen as more appealing than the alternative programming available at the time.
12. 2003 Cable TV Fact Book, Cable Television Advertising Bureau, chart "Long Term TV Household Share Trends." Prime time share trend data are based on the October-September television year. Available online: <http://www.cabletvadbureau.com/02facts/viewership2.htm>.
13. Nielsen Media Research unpublished data.
14. Nielsen Media Research unpublished data.
15. Nielsen Media Research unpublished data. Increasingly, television professionals have raised questions about the accuracy of ratings and viewership data, especially when the margins between rivals are close. In 2003, for instance, the networks thought changes in methodology were to blame for sudden drops in the number of adult males watching prime time programming. Nielsen Media Research issued a memo defending its methodology and suggesting that less network programming appealed to that demographic group. It is beyond the scope of this chapter to analyze the quality of Nielsen data. It is the industry standard, and in this case, all of the networks are evaluated by the same methodology.
16. J. Max Robins, "Wins of War," *TV Guide*, April 7, 2003.
17. Lisa Quan and Stephanie Spady, "Daypart briefings," Magna Global USA Media Insights, p. 11.
18. "For networks, finding younger viewers is a gray area," *Los Angeles Times*, June 11, 2002.
19. Interviews with authors.
20. Jim Rutenberg, "Suffering News Burnout? Rest of America Is, Too." *New York Times*, August 11, 2003.
21. In first week of the war, March 17-23, 2003, 32.2 million people watched the nightly news on average. The second week of the war, that of March 24-30, 29.5 million viewers tuned in; the following week, viewership stood at 27.9 million;

and finally, in the week when American armed forces entered Baghdad and Saddam Hussein's statue was toppled, April 9th, 28.5 million viewers were watching.

22. The average number of households turned to cable news channels jumped from 3.3 million to 8.8 million. See *Cable World*, "Ratings," March 24, 2003; *Cable World*, "Ratings," March 31, 2003.

23. Jesse Hamlin, "NBC declares victory in war's TV ratings battle," *San Francisco Chronicle*, March 22, 2003, p. W2.

24. Tyndall Report, February 22, 2003 (<http://www.tyndallreport.com/tw0308.html>), and Tyndall Report, March 1, 2003 (<http://www.tyndallreport.com/tw0309.html>).

25. Associated Press weekly wire stories for 2003. The share of televisions in use tuned to the three newscasts declined slightly. For the week of March 9-15, the three newscasts together received a 43 share. For the week of March 16-22, the three newscasts received a 42 share. NBC gained a point of share, while ABC and CBS each dropped a point of share.

26. Nielsen Media Research unpublished data.

27. See "Morning news wars," *The NewsHour with Jim Lehrer*, October 29, 1999.

28. Lisa Quan and Stephanie Spady, "Daypart briefings," *Magna Global USA Media Insights*, pp. 2 and 11.

29. *Ibid.*, pp. 1 and 10. For example, in fall 2003, the "Today" show on NBC received 2.6 ratings in the 25-54-year-old demographic and 3.9 ratings among those older than 50, while the NBC "Nightly News" received 2.8 ratings in the 25-54 demo and 8.4 in the 50+ demo.

30. Nielsen Media Research unpublished data.

31. Nielsen Media Research unpublished data.

32. Nielsen Media Research unpublished data.

33. Nielsen Media Research unpublished data.

34. Pew Research Center for the People & The Press, "Late March 2003 War Tracking Poll," March 20-27, 2003.

35. The press made a fair amount of another turning point in 2003 in the rivalry between cable and the three networks. This was the year that the combined totals for cable channels supported by advertising (this does not include noncommercial premium channels such as HBO) surpassed the three broadcast networks in prime time viewers, according to the Cable Television Advertising Bureau, *Cable TV Fact Book*, "Long term total TV household share trends." (Online: <http://www.cabletvadbureau.com/>). In the 2002-2003 season, commercial cable drew 41.3 percent of viewers. The Big Three networks accounted for 30.6 percent. All other viewing (including Fox, UPN, WB, PBS, independent stations and pay cable networks like HBO) received 28.1 percent of viewers.

A decade earlier, in the 1993-1994 season, the three networks accounted for 52.4 percent of all primetime viewership, while commercial cable had 21.3 percent. Pay cable and other broadcast networks accounted for the other 26.3 percent.

Network Economics

Economics

For all that people think of network news as some kind of dinosaur, financially news is an important part of the network television bottom line. Maybe, some might argue, it has become too important.

Overall, news contributes a big part of network profits, particularly in times when developing hit entertainment shows is proving difficult and signing sports contracts too expensive.

Several things stand out.

- Revenue from nightly news was up in 2003 (based on projections), the first up-tick since 1999. ¹
- Despite having less than half as many viewers, morning shows greatly outshine nightly news as moneymakers, in large part because they are on two hours a day rather than 30 minutes and pack in more commercial time. The “Today” show and “Good Morning America” bring in nearly three times the revenue of their evening news counterparts. ²
- The heyday of the prime time network magazines shows may be over. They air less often than they did a few years ago and earn less in advertising revenues. ³

Getting a handle on the finances of network news is difficult. The news divisions are now small elements inside large corporations, of which even the networks themselves are just a small part. Many news organizations no longer have people covering network news from a financial point of view and the companies release little information publicly about them.

What is more, events can change the finances of news substantially. For instance, executives at one of the three networks report confidentially that in 1991, their network was headed toward returning \$100 million to the bottom line of their company from news before the first Gulf War began. The cost of covering that war, including the giving up commercials, reduced that number to \$65 million in operating profit from news for the year.

Twelve years later, insiders report, after covering the second war in Iraq, the same news division was fighting to remain revenue-neutral, to return no profit to the bottom line, but also not fall into the red.

Becoming a Profit Center

The first great change in the finances of network news came in the mid-1980s, when the news divisions were asked to become profit centers for their companies.

Until then, network news divisions were asked to bring prestige, rather than profits, to their owners. In the language of today, prestige was essential to “branding.” News, in other words, was relevant to network economics but in a long-term and more indirect way. As the late CBS chairman William Paley once was quoted as telling his correspondents, “You worry about the news. I’ve got Jack Benny to bring in the profits.” ⁴

News also kept the federal regulators off the networks’ backs. Today this is no longer much of a concern, not since the FCC began systematically deregulating television in the 1980s.

Evening News Economics

As is true with audience trends, the direction of evening newscast economics in recent years has not been good, but 2003 may have bucked that trend as the economy showed some strengthening.

Still, say industry insiders, the nightly newscasts remain profitable and solid part of the network’s bottom line.

Unfortunately, there are little or no public data on the operating profitability of news divisions alone. To a large extent, in trying to get a handle on finances, we are limited to looking at estimates of revenues. And even here accounting practices and bundling of ad sales make the picture fuzzy.

From 1999 to 2002, the three networks together have seen their evening advertising revenues drop 6 percent, according to data from TNS Media Intelligence, a market research firm. Most of this decline occurred in 2000 and 2001, as a slumping economy resulted in a shrinking advertising market.

But the drop cannot all be tied to a sluggish economy. It began before the economy sagged and at some points occurred even while ratings had seen an up-tick.

Both the NBC "Nightly News" and the ABC "World News Tonight" took in considerably more money in advertising revenues in 1999 than they did in 2002. In four years, NBC's revenues fell off 13 percent and ABC's fell 9 percent. These two programs saw big drops in 2001, around \$14 million each, as the advertising downturn rippled across all media. ⁵ But this is not entirely attributable to ratings, which were rising for both NBC and ABC in 2000. ABC saw a big ratings jump in 2001 as the revenues fell. ⁶ The advertising slump that began in 2000 with the sharp decline in the stock market and the popping of the dot.com bubble is also a factor here, industry professionals add, making a difficult situation look somewhat worse.

At CBS, which has the least-watched nightly news broadcast, ad revenues improved: The CBS "Evening News" experienced an 8 percent jump in advertising revenues from 1999 to 2002. In 2002, CBS eked its way into the second-place revenue spot, even while it was the clear third-place finisher in ratings. ⁷

Partial 2003 data suggest the trend may be changing. The networks saw strong advertising revenues for the first eight months of 2003 and appeared to be on course to show significant gains over 2002. ⁸ By August of 2003 all the evening news show had taken in more than \$100 million in revenues. ⁹

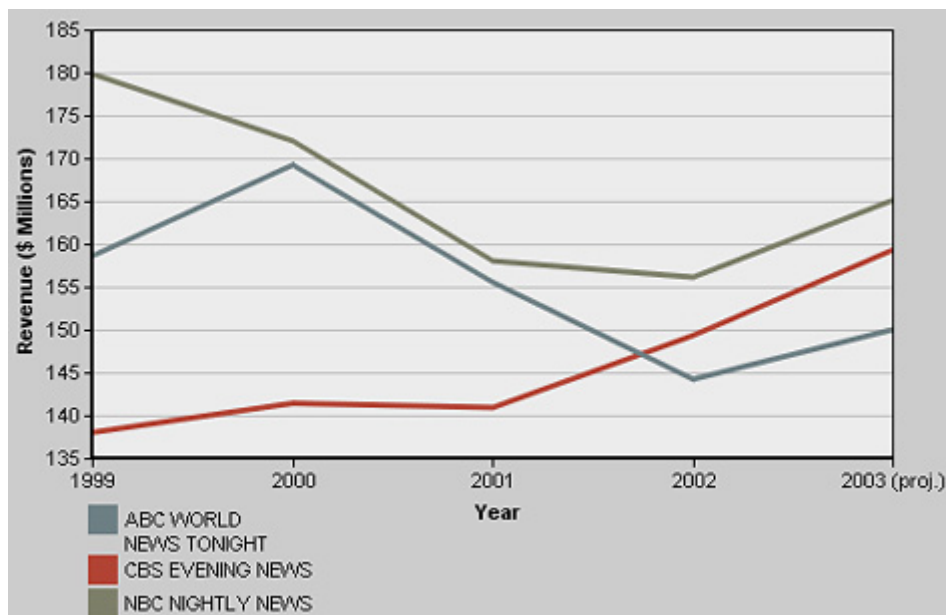
According to the TNS data tracking advertiser spending, the NBC "Nightly News" with Tom Brokaw had taken in revenues of more than \$110 million through August. The program was thus projected to have its best year since 2000, with estimated revenues of \$165 million. CBS, which had taken in \$106 million by August, looked ready to have its best year since before 1999 (\$159 million in revenue). And ABC, with more \$100 million in its coffers, was on track to beat its 2001 results (with \$150 million in revenue).

These revenue numbers, however, need to be viewed carefully, industry insiders say. The networks, particularly NBC and ABC, are selling ads in packages. So an NBC ad buy could include, for instance, the network nightly news, CNBC and MSNBC, plus online deals with MSNBC.com. That gives networks leeway in terms of how they assign the revenues to different programs. It is possible that the revenue data, insiders say, are comparing apples and oranges.

Indeed, some network news professionals say the bundling of ad sales has become an important factor in the race for No. 1 in evening news. If you are on top, you have more leverage to bundle ad sales, to tell advertisers that if they want preferred spots on the evening news, they may be forced to buy time in other programs.

According to internal network sales data provided to the Project for Excellence in Journalism by a confidential source, in fact, these public projections of 2003 revenues are close but not entirely accurate. This internal network accounting for 2003 shows the No. 1 rated NBC "Nightly News" topping \$200 million in ad sales. The No. 2 rated ABC "World News Tonight" was second at more \$170 million and No. 3 CBS "Evening News" took in about \$133 million. It is difficult to assess which numbers are more accurate, the internal or the public estimates. Executives say the bundling of ad sales make all the estimates somewhat softer, or more a matter of accounting judgment, than they once were.

Evening News Revenue, by Network 1999 to 2003*



Design Your Own Chart

Source: TNS Media Intelligence/CMR unpublished data, www.tnsmi-cmr.com

* 2003 revenue is PEJ projection based on Jan.-Aug. data.

Morning Shows

Far from the downward trend surrounding the evening newscasts, the revenue picture of morning news appears more stable. Other than “Meet the Press” on NBC, indeed, the network’s “Today” show is the longest-running program on network television. ¹⁰

And today, in an age when success in entertainment programming is becoming more difficult, morning shows, with their 10 hours of programming a week (15 hours for the “Today” show on some affiliates plus four more on weekends), morning shows are more important than ever. This is why networks like ABC are trying to create weekend versions of their morning programs to compete with NBC.

Not only are the morning shows enduring, but they are also growing. In the four years of 1999 through 2002, morning show revenues are up 37 percent, according to the data from TNS.

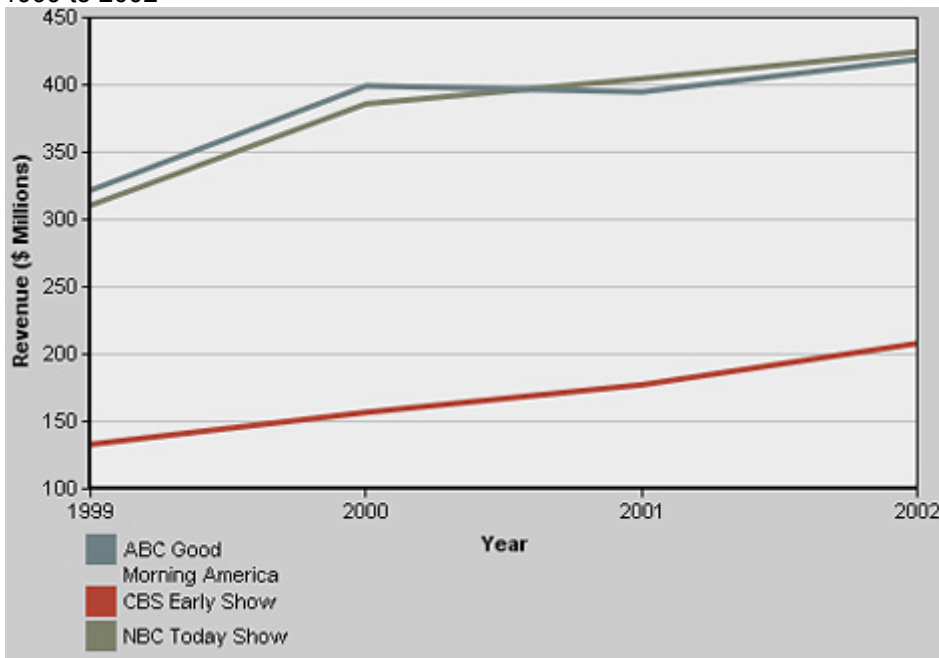
To get a sense of their significance, consider this: Together, the three morning shows take in more than double the revenues of nightly news, despite half the ratings. ¹¹ A key reason is that the morning shows are on four times longer – two hours a day versus 30 minutes – and pack more commercial time or sponsored segments into each half-hour.

In 2002, NBC’s “Today,” ABC’s “Good Morning America,” and CBS’s “Early Show” brought in over a billion dollars in combined advertising revenues to the networks.

The national economic slowdown had only the smallest of impacts. Only “Good Morning America” had a decline in revenue from 2000 to 2001, and a small one at that (\$4.6 million). In 2002 its numbers were up again. ¹²

Morning News Revenue, by Network

1999 to 2002



Design Your Own Chart

Source: TNS Media Intelligence/CMR unpublished data, www.tnsmi-cmr.com

Financially, morning is something of a two-network race. According to the data from TNS, NBC's "Today" show and ABC's "Good Morning America" are actually closer in revenues than they are in ratings, and have been since 1999. Through the first eight months of 2003, both programs had taken in about \$300 million each. 13

From 1999 to 2002, moreover, both had seen revenues grow by at least 30 percent.

CBS clearly lags behind though it has made significant gains since 1999, when the "Early Show" replaced the struggling "CBS This Morning." Since then, it has had the greatest growth in advertising dollars among the three networks, 56 percent, although it is building on a smaller base. 14

In the reverse of what we see for evening news, the morning shows are able to generate these powerful increases in revenue without increases in ratings.

Again, this has something to do with demographics. The younger viewers these shows bring in, including stay-at-home moms, may allow the networks to command more from advertisers.

Yet this is only part of it. Morning shows have also found ways to generate new revenue by creating advertising opportunities even within the content of the programs, and outside the commercial breaks. Sponsored weather spots, product-oriented gardening tips and other potential revenue opportunities are now commonplace.

How Morning News Shows Use Their Time, 2001

Division of Time, in Minutes

	June 2001	October 2001	Average
<i>Total Air Time (minutes)</i>	120	120	120
Commercials	35	35	35
Local News	9	9	9
Products	16	17	16.5
Promotions	10	5	7.5
<i>Subtotal</i>	70	66	68
<i>Remaining Time</i>	50	54	52

Source: "Before and After," PEJ study, November 2001

In addition, a 2001 study conducted by the Project found that, excluding commercials and local news inserts, these morning news programs dedicated 32 percent of their time, or roughly 24 minutes of program, to selling viewers something – a book, a movie, a kitchen or garden gadget, a Web site, other network programs or a segment later in the show, some of which, though not all, were sponsored segments.

Add in the 35 minutes of commercials per program, and more than half of every two-hour show was spent selling viewers something. In short, if viewers tuned in for an hour of morning news, they would get just 25 minutes of network news, weather and other features not related to products and promotions.

The shows also have become vast sources of self-advertising, or synergy, for the corporate owner. In the study, each of the morning shows did more stories about its own parent company products than it did about any other single company, especially its media competitors. Disney products were most likely to appear on ABC, Viacom products on CBS and G.E. products on NBC. 15

The morning time slot is also interesting for another reason. It is the one time of day where the networks go head-to-head with cable news operations with virtually the same kind of programming. From 7 to 9 a.m. Eastern time, both cable and network air similar morning shows. 16 And in this time slot the networks prevail. As we saw in nightly news, head to head, many more people watch network morning news programs than comparably styled cable news morning programs. 17

Fox plays an interesting role in the morning show battle as well. On the West Coast, where the NBC, ABC and CBS morning shows are tape delayed, Fox's affiliates offer local live alternatives.

Sunday Show Economics

When it comes to Sunday morning programs, industry insiders say that NBC's "Meet the Press" is a significant profit producer for the network. In 2001, NBC reported that the show earned an operating profit of \$50 million. That was up, reportedly, from \$800,000 in 1991. 18 The other Sunday shows reportedly add to the bottom line but not as significantly.

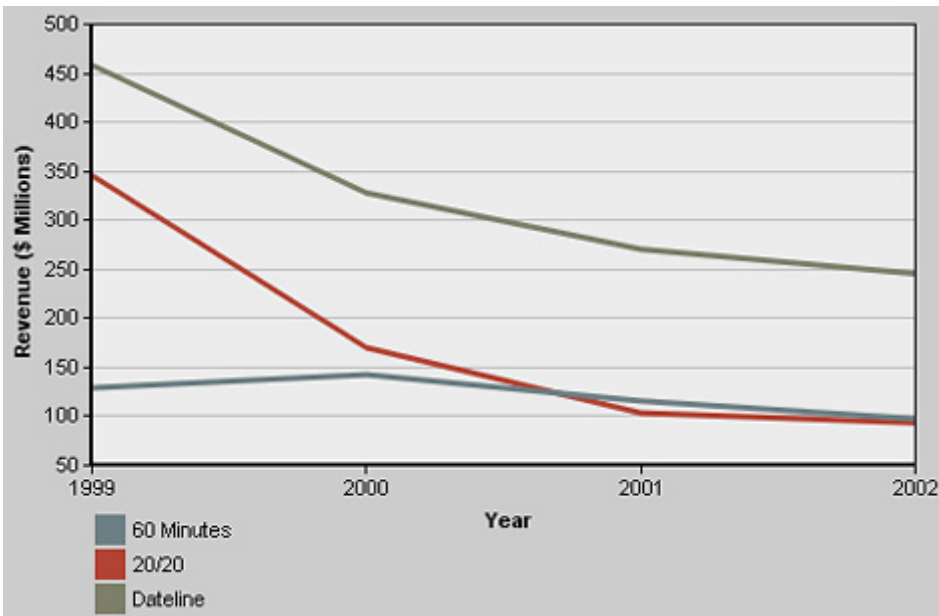
Prime Time Magazines

If morning shows show a dazzling durability, the revenue figures for prime time news magazines reveal a downward trend that suggests that the golden era of the network magazine show is over.

Through most of the 1990s these shows had been a boon to the news divisions. The genre really took off in 1992 with NBC's "Dateline," which used a different organizational concept to change the game. Instead of using a small staff to produce a once-a-week show as the other magazines had done, NBC used its entire news staff to churn out stories steadily. "Dateline" did not air once a week, but instead it was on more often – at its peak five times a week – and there weren't stars. There was a rotating cast of anchors and reporters. The brand of the show was NBC news and the show name, not any specific person. The other networks began to follow suit, putting magazines on multiple nights. ABC put its "20/20" and "Primetime" together and made them into a three-night-a-week production. And CBS even took the step of expanding its news magazine franchise, "60 Minutes," into a twice-weekly show, and its "48 Hours" magazine also aired twice a week. At the peak of the prime time news magazine craze in 1997, 10 out of a possible 22 hours of prime time network programming on the big three was filled with news magazines. 19

But from 1999 to 2002, revenues for these programs fell 48 percent. 20 And the most obvious reason is quantity. From that 1997 high of 10, the amount of time devoted to prime time magazines per network has shrunken to, in most weeks, two hours, clearly affecting these program's revenues.

News Magazine Revenue, Select Programs 1999 to 2002



Design Your Own Chart

Source: TNS Media Intelligence/CMR unpublished data, www.tnsmi-cmr.com

Perhaps the most interesting question is why the networks cut back on magazine programming. To some extent, the market for magazines had been glutted. There were too many of them. The history of television networks is filled with genres that were “hot” and later discarded, from westerns to quiz shows.

The issue is not how many people watch a magazine show. It is how many people might watch something else instead. And in 1999 networks found a new alternative with many of the same advantages as news magazines and a potential greater upside.

News magazines became popular as prime time programming because they were cheaper to produce than entertainment programming – sitcoms and dramas – roughly half the cost.²¹ Thus a network magazine could make money with a magazine show that generated lower ratings than an expensive hour-long drama or two half-hour sitcoms. In a sense, say industry insiders, networks used prime time magazines, in part, to plug holes in their entertainment schedules and tended to use more of them if they were having trouble finding successful entertainment shows.

In the last four years, the networks found even cheaper-to-produce programming – reality TV. And if one hits big, like “Survivor,” the first “Bachelor,” or “American Idol,” the upside is far greater, if more short lived.

News magazines are being supplanted, in part, because Americans prefer shows like “Fear Factor” and “The Bachelor.” As a result, NBC’s “Dateline,” which was on five nights a week in 1998, is now on only twice a week.

On the other hand, there are some, such as Lawrence Grossman, a former NBC News president, who argue that, aside from “60 Minutes,” the term “news magazine” has become something of a misnomer for these programs. They might be better labeled “nonfiction entertainment magazines.”

One question to watch is whether “60 Minutes” will continue to be the exception in 2004 and beyond with the departure, not entirely voluntary, of the founder Don Hewitt, the 81-year-old network news legend who is among the last off-air executives who was powerful enough on his own to push against the more transitory financial concerns of his business superiors.

“Nightline”

Standing apart from most of these characterizations is “Nightline.” It does not air in prime time and it does not follow the traditional news magazine format. As many of the magazines have gone more infotainment-oriented and sensational in content, “Nightline” has resisted. It also has changed its format and updated its look and feel a good deal more than some might imagine, without changing its seriousness, becoming much more flexible than its original format of a six-minute set-up piece followed by 15 minutes of interview. And while it has also seen its revenues decline in recent years, it has been far more stable than most news programs and much more than entertainment programming.

But avoiding the problems and resisting the pressures that have beset other network shows has not entirely protected “Nightline.” In 2002, ABC considered luring David Letterman away from CBS to fill the 11:30 p.m. Eastern time slot. The deal eventually fell through and Letterman stayed with CBS, but the fact that ABC pursued him suggests that “Nightline’s” approach to a weeknight magazine may be threatened. The problem wasn’t that Nightline wasn’t profitable or that its audience was too old. According to internal numbers from ABC Nightline at the time was expected to make \$13 million in profit.²² The problem was merely that Lettermen might have made more money and attracted even younger demographics. The issue becomes one of purpose. If a network’s owner feels that it gains something from offering a “Nightline” program to the society, it will view things one way. If it feels it gains operating income from offering “Nightline” and little more, it will view things another way.

The Value of News

This raises the question that ultimately will face all network news programming. To what extent are the news divisions important to the viability of television networks and their conglomerate parents as a whole, even if they do not happen to be significant profit centers? To what degree are the lead anchors, for instance, major faces for the brand? How much does a strong news presence makes the network more attractive to affiliates? To what degree is news less vulnerable than entertainment programming to fads and strong-arm negotiations from Hollywood stars? How important is it that, because news is a capital-intensive form of programming, once the investment has been made, the incremental cost of producing more news – be it a special report or an added night of prime time magazine programming – is relatively low while the cost of entry for competitors is high or a new entertainment program is high?

These are more subtle issues than how much a nightly news program or a morning show adds to the bottom line. These are intangible matters of judgment, even intuition. They come down, to a greater degree than some other choices, to the values of the people who run the company. Yet they play a role in the strategic planning of a network, in the willingness to invest in news content, in budgeting and in what new business models a media conglomerate might want to invent.

Footnotes

1. TNS Media Intelligence/CMR unpublished data, www.tnsmi-cmr.com; PEJ research.
2. Nielsen Media Research unpublished data, www.nielsenmedia.com; TNS Media Intelligence/CMR unpublished data
3. PEJ research; TNS Media Intelligence/CMR unpublished data.
4. Interview with the former CBS correspondent Marvin Kalb by the author, Tom Rosenstiel, director of the Project for Excellence in Journalism.
5. TNS Media Intelligence/CMR unpublished data.
6. Nielsen Media Research unpublished data; TNS Media Intelligence/CMR unpublished data.
7. TNS Media Intelligence/CMR unpublished data; Nielsen Media Research unpublished data.
8. TNS Media Intelligence/CMR unpublished data.
9. TNS Media Intelligence/CMR unpublished data.
10. “Morning television programs,” Encyclopedia of Television, online at <http://www.museum.tv/archives/etv/M/htmlM/morningtelev/morningtelev.htm>.
11. TNS Media Intelligence/CMR unpublished data; Nielsen Media Research unpublished data.
12. TNS Media Intelligence/CMR unpublished data.
13. TNS Media Intelligence/CMR unpublished data.
14. TNS Media Intelligence/CMR unpublished data.
15. See section on “Corporate synergy” in Project for Excellence in Journalism, “Before and After: How the War on Terrorism Has Changed the News Agenda,” November 19, 2001, online at <http://www.journalism.org/resources/research/reports/agenda/default.asp>.
16. CNN’s morning show goes until 10 a.m.

17. In summer 2003, for example, the three morning cable programs (CNN's "American Morning," Fox News' "Fox & Friends," and MSNBC's "Imus in the Morning") drew just 2.3 million viewers all together. See Peter Johnson, "Fox wakes up morning TV," *USA Today*, August 17, 2003, online at http://www.usatoday.com/life/television/news/2003-08-17-fox-am_x.htm.
18. Lisa de Moraes, *The Washington Post*, "Tim Russert signs record deal with NBC News," December 12, 2001, p. C1.
19. Elizabeth Weinreb, "The News About News Magazines," unpublished essay.
20. TNS Media Intelligence/CMR unpublished data.
21. "Newsmagazines woo viewers as must-see TV drama," *Christian Science Monitor*, February 20, 1998, p. B1.
22. Tom Rosenstiel and Bill Kovach, "Why We Need 'Nightline'," *The Washington Post*, March 6, 2002, p. A19.

Ownership

Ownership

In the last 10 years two networks of the big three, ABC and CBS, have been part of large-scale mergers, and the third, NBC, which went through a large-scale merger of its own earlier, has spread its news division onto cable with all-news channels. As 2004 began, another merger possibility appeared on the horizon, the takeover of Disney, the owner of ABC, by a smaller cable company, Comcast. Network ownership stands out from the other media sectors in two important

The big three networks that air nightly newscasts are owned by true behemoths of American media. All three owners – Viacom, Disney and General Electric – were among the top five media companies in the country in overall revenue in 2002. ¹

Because these conglomerates are so big, their news divisions are proportionally a much smaller part of the company than they were under their previous owners.

These two points play an important role in where network television news may be headed. Increasingly the question for network news divisions is how they will carry on in a world where they are a smaller and smaller element of the whole. It is difficult, for instance, to find any mention of NBC News in General Electric's annual report, one indicator of where something stands on corporate strategic planning boards.

The Biggest Big Boys

Viacom, the owner of CBS, is the second-largest media company in the country. Disney, the owner of ABC, is the fourth. (as a division of G.E.) is the fifth. ²

In some ways this should insulate the network news divisions. Their owners are powerful and in theory should be diversified enough that they would have more resources for news and more economies of scale to produce news more efficiently. But size can also mean that news becomes a smaller and potentially less important part of a company's purpose, farther away from its core values, just another contributor to the bottom line.

Television Revenue as Percent of Total Corporate Revenue

Dollars in millions

	2002 Broadcast Revenue	2002 Cable Revenue	2002 TV Revenue (Broadcast + Cable)	2002 Total Revenue	2002 Broadcast Revenue as % of Total	2002 Cable Revenue as % of Total	2002 TV Revenue as % of Total
Viacom	\$7,490	\$5,052	\$12,542	\$24,606	30%	21%	51%
Disney	4,485	4,428	8,913	25,329	18%	18%	35%
NBC (GE)	6,763	627	7,390	131,698	5%	0.5%	6%

Source: AdAge, "100 Leading Media Companies"

Viacom's broadcast television holdings, for instance, generated \$7.5 billion in revenue for 2002. As hefty as that sum sound, it was not even a third of the company's \$24.6 billion in revenues overall. Disney took in \$4.5 billion in broadcast revenue in 2002. That was not even a fifth of the company's total of \$25 billion. And NBC's \$6.7 billion in broadcast revenue was barely 5 percent of General Electric's \$132 billion. ³

The Networks and Their Owners

It should be noted that the companies that own the ABC, CBS and NBC have television holdings beyond their over-the-networks. They all own some cable networks, though the extent of that ownership varies. Disney owns the sports giant and its sibling networks as well as the Disney Channel and ABC Family..

G.E. owns all or portions of A&E, Bravo, the History Channel, as well as CNBC and MSNBC (a 24-hour news network) on cable, and the Hispanic broadcast network Telemundo.

Viacom owns Showtime, Nickelodeon, MTV and BET on cable, as well the UPN broadcast network. While the ownership of those cable networks allows the parent companies to generate revenue by network entertainment shows, it has had less effect on the news division's programming, with the exception of NBC and its cable news outlets. Below is a quick look at the individual relationships between the owners and their news divisions.

ABC and Disney

When Disney purchased Capital Cities Corporation (and ABC) for \$19 billion in 1995, it was thought to be a dream come true for believers in synergy.⁴ The network would give Disney, which created a lot of content, a place to air its work. But for ABC's news division, the merger has not led to success. From the start there were problems, such as when ABC's "Good Morning America" was broadcast live from Disney World, a move that was lambasted by press critics. The Disney CEO, Michael Eisner, made statements that raised doubts about his understanding of the ABC brand, as when he famously said that it was impossible for ABC News to cover Disney. Shortly after the merger, Disney made another telling decision. It scrapped plans to launch a 24-hour cable news network, a move that would have allowed ABC to follow the cross-platform plan that has so helped NBC. Disney thought the costs would be too great. Yet at the time, the widely-accepted superiority of ABC's news division would have likely given it an enormous leg up over any rival.

The numbers are even more revealing. At the time of the merger, ABC was the leader of the network news divisions – on top in ratings and revenues, and its programs dominant in most of their time slots, including nightly news.

Under Disney, nearly every program has stumbled, and the poor performance of ABC's entertainment division has only made the problems worse. The news division has since gone through several rounds of staff reductions (either through contracts not being renewed or layoffs), closed bureaus around the world and the United States and has watched its ratings sink to second in ratings on the evening news and third in revenues. The network also developed a plan to replace its "Nightline" franchise, considered by many the best news program on commercial network television, and wooed Dave Letterman program from CBS for its time slot. After two humiliating weeks for Disney and ABC, Letterman turned them down, in significant part because he, unlike Disney, did not want to be known as the man who killed "Nightline." All of these were bottom line decisions, caused by the parent company wanting a larger return.

Some argue that the focus on the bottom line and cost cutting did not begin with Disney, and the record shows that is the case. There certainly was downsizing under the previous owner, Capital Cities, coinciding with declining viewership. But relative to other networks, ABC News prospered economically and in the view of media critics. That has not been the case since the acquisition by Disney.

In early 2003, Disney's tortured stewardship of the news division seemed to come full circle. Disney considered the possibility of merging with CNN to get access to cable's second source of revenue – subscription – as well as the ability to amortize product across multiple platforms. The deal never happened.

With the arrival of the unwanted bid for Disney by Comcast, ABC in many ways seemed at the center of the deal. While ABC would become an even smaller part of a bigger company, television (both broadcasting and cable), would become a bigger part of the whole. ABC had fared better critically and financially under Cap Cities than it had under Disney. Would Comcast's background in television make a difference?

NBC and General Electric

General Electric purchased RCA, and by extension NBC, in 1986 for \$6.4 billion and the initial result was not good.⁵ When G.E. and its CEO, Jack Welch, bought NBC, the network was viewed, say insiders, as a new division in a giant company with the same responsibility as any other to show a return to the bottom line.

In news, G.E. reportedly had plans to grow the network's NewsChannel affiliate service to a point where ultimately some form of evening news program could be done from Charlotte, N.C., in a non-union environment.

At the same time, the news division was cut severely in what NBC veterans privately refer to as "the Long March." Staff and budget cuts hit the network news division and knocked it into third place. In his book "Three Blind Mice," Ken Auletta described a corporation ignorant of broadcasting and unfamiliar with the methods of building a network brand. The focus on the cost of things rather than their value seemed to reach its nadir when the network's new prime time magazine "Dateline" faked a news story about exploding G.M. pickup trucks.

The exploding pickup truck was a turning point, insiders recall. Reportedly, it persuaded top G.E. executives of the importance of a news division. One source close to NBC says Welch personally got complaints from fellow CEOs. Whatever occurred, changes began.

Andrew Lack was named president of news and the division began to rebuild. Lack hired Neal Shapiro from ABC to the magazine franchise and Jeff Gralnick from the same network to work with Tom Brokaw in rebuilding NBC's News." He also committed \$10 million for the street-front studio for "Today."

While the bottom line remained important, insiders say G.E. was now making available the money to rebuild, within corporate reason. From 1993 to 1996, the "Nightly News," "Today" and "Dateline" programs were reconceived. Under the new news management team, each of the programs became No. 1 in their time slots. They did so in part, the content analyses reveal, by leading the march toward softer coverage, yet they maintained their lead in recent years as nightly news became more serious again.

Even before this period began, the man in charge of NBC, Bob Wright, saw a niche for business news and persuaded to purchase FNN, a struggling financial cable news network, which became CNBC. It now returns to the bottom line reportedly in excess of \$400 million a year.

Part of the concept behind the rebuilding was to spread the resources of the news division across multiple platforms, including MSNBC and MSNBC.com. (MSNBC was created with the infusion of money from Microsoft). The result is a array of products that can share costs and sell advertising in combination, amortizing investments and making more use of correspondents and news resources. Lack, who received a lion's share of the credit for the rebuilding of NBC, promoted to run the whole network, but that did not go well and he soon left the NBC altogether.

An open question now is whether his successors, led by the new NBC News president, Neil Shapiro, who used to run "Dateline," will have similar success. While often unknown to the public, the president of news, the history of network television suggests, is often (perhaps always) the critical figure in the health and integrity of a network's news division. At critical points in their histories, it has been enormously important that the news divisions were run by individuals with vision and the credentials to stand up to their network bosses – Roone Arledge at ABC, Reuven Frank at NBC and Richard Salant at CBS to name only a few.

Two news presidents have lost their jobs in television history for standing up to ownership. In the 1960s, Fred Friendly at CBS lost his job for protesting network decision to air reruns of "I Love Lucy" rather than coverage of Senate hearings concerning American involvement in Vietnam. In the 1980s, after G.E.'s purchase of NBC, the NBC news president, Lawrence Grossman, lost his job after fighting G.E.'s attempts to cut the news division.

Last year G.E. announced its plans to absorb the entertainment giant Vivendi/Universal. The merger would put a movie in G.E.'s hands and would give NBC "a relatively steady stream of content" that was less reliant on independent producers, according to one analyst. 6 Other than the fact that entertainment would make up a larger part of G.E.'s media holdings, it may be hard to calculate the effect of the merger. Even combined, NBC-Universal would represent only a fraction of GE's total annual revenue of \$130 billion.

CBS and Viacom

The effects of the Viacom-CBS merger are still difficult to know. Viacom's purchase of the network from Westinghouse for \$46 billion in 2000 is still relatively recent. 7 Perhaps more telling, Viacom has made fewer visible changes at the top of CBS news than G.E. and Disney did when they took over their networks.

In many ways, CBS is still recovering from the leadership of Lawrence Tisch, who "rescued" the network from a hostile takeover in 1986 and then slashed the news division, cutting loose 230 news employees and cutting the news budget by \$30 million. 8 Westinghouse, which came in and bought the network in 1995 and then sold it four years later, was little more than a temporary caretaker.

News Sliver of the Pie Shrinks

The end result of the wave of mergers is that the news divisions have become a much smaller sliver of their owners' pies thus much more likely to get lost in the big picture. They are more likely to become part of a homogenized whole, than a brand apart with a notably different mission than the rest of the parent companies. The nature of the owners is different as well.

Newspapers were, and to a large extent still are, owned by newspaper companies. Radio stations and magazines may be owned by news companies, but they are still largely owned by media companies. Networks operate differently. Two of the big three networks that air nightly newscasts – ABC and NBC – are owned by companies that make most of their money in the world outside of media. (As noted above, a scant 6 percent of G.E.'s revenue comes from media ventures, according to calculations by Advertising Age magazine, while only 35 percent of Disney's revenues comes from

its broadcast and cable holdings, of which news is a tiny part. More comes from theme parks and film studios. ⁹ These companies have less of a history with the journalistic mission of serving the public interest than most media companies, and certainly less than most news media companies.

In these environments the news divisions are having a harder time getting the investments they need to cover the news they once did (see **Newsroom Investment**).

Barring a sudden change in ownership or these parent companies selling off their networks, it is hard to see how the situation will change.

Footnotes

1. Advertising Age, 100 Leading Media Companies chart. Time/Warner and Comcast round out the top five. Online: www.adage.com.

2. Advertising Age, 100 Leading Media Companies chart.

3. These figures include all revenues from television operations: network income, owned-and-operated stations revenue, revenue from syndicated programming and all other operations.

4. "The Walt Disney Company Annual Report, 1999." Online at <http://www.reportgallery.com/work/disney99/dis99ar08.html>.

5. "Mergers and Acquisitions," Encyclopedia of Television, online at <http://www.museum.tv/archives/etv/M/htmlM/mergersanda/mergersanda.htm>.

6. James Peltz, "G.E would gain risk with assets; The firm would face Hollywood volatility in bid to boost growth," *Los Angeles Times*, September 3, 2003, p. C1.

7. "Viacom, CBS merger gets OK," *USA Today*, May 4, 2000, p. 2B.

8. "Laurence A. Tisch, investor known for saving CBS Inc. from takeover, dies at 80," obituary, *The New York Times*, November 16, 2003, Section 1, p. 43.

9. Advertising Age, 100 Leading Media Companies chart.

News Investment

News Investment

As viewers have left, the network news divisions have shrunk in size. And the priorities about where money goes have shifted. In the process so has the culture of network newsgathering. What once could be described as organizations with large battalions of experienced correspondents, producers, editors and camera crews stationed in bureaus worldwide might better be characterized today as organizations with a small pool of high-priced anchors supported by less experienced, less well-known, correspondents and off-air staffers who can parachute in from afar or assemble satellite footage in New York and cover anything.

Some trends:

- Staff cuts, some severe, have hit all of the big three news divisions, forcing a smaller number of correspondents to produce the same number or more stories. 1
- Bureaus, particularly overseas, have been closed, giving the news organizations a smaller global footprint and fewer staff members with the understanding that comes from having correspondents immersed in foreign cultures.
- Many of the correspondents who have left are those with the longest experience and greatest expertise.
- The news hole for both morning and evening newscasts is shrinking as time for advertising grows. 2

Staffing

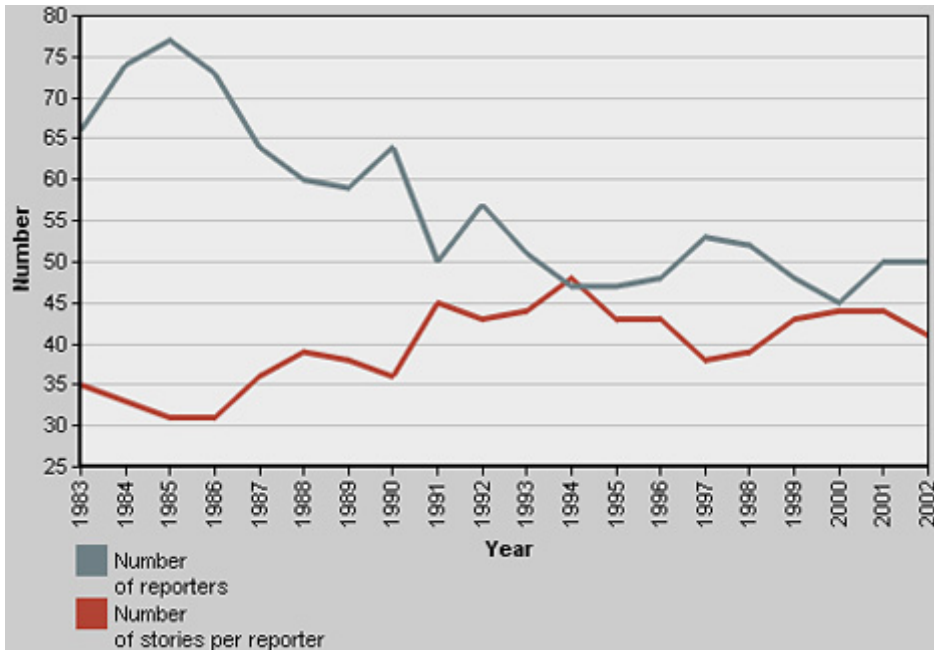
A look at the average network newsroom is the most fundamental way to understand what has happened to investment in the newsroom. News staffs have shrunk markedly.

The number of correspondents featured on air during the average evening newscast has been cut by more than a third since the peak in 1985, from 76.7 to 50 in 2002, according to Joe Foote, a professor of journalism at Arizona State University. That is a drop of 35 percent.

And that reduction in staff has meant an increase in reporter workload. In 1985, reporters appearing in evening newscasts did an average of 31.4 stories a year. By 2002, that number had climbed to 40.9, according to Foote. Figures for other network staff (producers, cameramen, etc.) were not available, but reductions among them may be even greater due to technological changes.□

Average Network Newsroom Size and Reporter Workload

1983 to 2002



Design Your Own Chart

Source: Professor Joe Foote, Arizona State University, unpublished data

The reductions should be understood in context. Some argue that the networks were bloated during the era of oligarchy, when the three nightly newscasts together shared 75 percent of viewers during the dinner hour. Too many people at the networks, critics said, had too little to do. It is almost certain that some bloat existed in such an environment.

Some of these reductions have also come as a result of new technologies that have increased productivity.

Yet cuts of more than one-third probably go beyond the efficiencies created by technology or trimming the unproductive employees. The casualties of these cuts are not just smaller, relatively unknown correspondents, or the underemployed, but some of the networks' bigger names with the greatest expertise. Often these are people who would be most resistant to being shifted from a foreign bureau or specialized beat to a general assignment, but other times, these are simply people who didn't want to take sizable pay cuts.

Whatever the reason, they reflect not just cutting costs but also a change in the nature of network coverage. Take away these reporters' expertise and some diminishment in quality becomes unavoidable, network veterans argue.

Each of the networks has cut back on its beats as it has cut back on its correspondent staff, pushing more people into general assignment work. Most of the networks no longer have Supreme Court correspondents, for instance, but have instead just one correspondent who covers justice.³ Prior to the 2003 war in Iraq, the networks no longer had separate correspondents at the State Department and the Pentagon.⁴ Instead, they each had a single national security correspondent. Networks usually had both a science correspondent and a health correspondent. Now, it is more common, as is true at NBC, to have a merged science-health reporter, such as NBC's Robert Bazell.

Some of the effects of these changes are difficult to quantify. Critics, however, suggest that the consequences reach farther than may meet the eye.

Where networks once assigned two or even three reporters to places such as Congress, the Pentagon and the State Department, the job is usually filled by one correspondent and less experienced off-air staffers. On its face, not having duplicate reporters may seem like good sense. Some critics argue that without its bench, network coverage has become thinner. Another consequence, some network veterans say, is that when a major story develops and the networks "go live," the lone correspondent is often stuck for hours in front of the camera, his or her reporting confined to what can be gotten over the cell phone. Moreover, everything that has happened in front of the camera has occurred in the editorial structure of camera crews, producers, editors and researchers who are unseen.

Such consequences may be an unavoidable effect of declining audience, but they affect the product and may, in a vicious cycle, encourage still more viewers to turn away.

Bureaus

As they have let go of staff, the networks have also shrunken their presence in the world. Each of the networks once had about 15 bureaus abroad. They now have about half a dozen, or less. And in some cases, these bureaus are really just offices or are staffed largely by contract employees or virtually full-time freelancers.⁵

According to accounting by *American Journalism Review*, since the peak in the 1980s, ABC has closed seven foreign bureaus and now has six remaining. NBC has locked the doors in seven as well, also leaving six. CBS has done a bit less, closing only four, but that is because they had fewer to begin with. It, too, had six left, according to *AJR*, as of the summer of 2003.⁶

Other network veterans cite additional bureaus that have closed, including Johannesburg at ABC and Cairo and Beijing at NBC. Given the fact that bureaus open and close over the years, as changes in the news demand coverage from various regions for periods of time (as in Iraq), an exact accounting is difficult.

With the exception of one bureau in Nairobi at ABC, whose correspondent is a freelancer, the networks have no bureaus in Latin America, South America, Africa, India or Pakistan. ABC has no bureau anywhere in Eastern Europe or the former Soviet Union.

Asia is covered from Hong Kong. Europe and Eastern Europe is covered from London. Outside of temporary bureaus in Baghdad, the Middle East is covered from Tel Aviv or Jerusalem.

Current and Former International Network News Bureaus

Source: Lucinda Fleeson, "Bureau of missing bureaus," *American Journalism Review*; PEJ research.

ABC 2003	ABC Closed	CBS 2003	CBS Closed	NBC 2003	NBC Closed
London	Rome	London	Paris	London	Beirut
Hong Kong	Beirut	Rome	Beijing	Tel Aviv	Johannesburg
Jerusalem	Bonn	Tokyo	Bonn	Hong Kong	Paris
Baghdad	Moscow	Tel Aviv	Johannesburg	Moscow	Frankfurt
Nairobi	Tokyo	Moscow		Baghdad	Berlin
Beijing	Cairo	Baghdad		Havana	Manila
	Paris				Rome

Not all of these bureau closings are purely economic. The closing of ABC's and NBC's Beirut bureau can be easily explained as a function of how the news environment has changed. The same argument could be made about the closing of ABC's and CBS's Bonn bureaus. However, since closing the Bonn bureaus in the capital of the former country of West Germany, neither network opened a bureau in Berlin, the new capital of unified Germany. NBC, which had bureaus in Bonn and Frankfurt, has also left Germany. And even though the Cold War is over, there is no shortage of news coming out of Russia. Still ABC decided to close its Moscow bureau. At the same time, ABC is the only network to have a bureau anywhere in Africa.

What does this say about the networks' international coverage? Basically, the nature of the coverage has fundamentally changed. Much of the network international coverage is actually camera work shot by freelancers mixed with voiceover from a correspondent at the nearest bureau. What is more, the content analysis found that little international coverage aired on the nightly newscasts or morning news in 2003 that was not directly related to U.S. policy. To some extent the same thing occurs in domestic coverage. Bureaus are expensive to run and can be difficult to manage. And networks argue that little is lost in the transition. The model still provides news from around the world, just in a different way.

The question is whether something is lost in the change. While freelancers can provide video footage and even reporting, the bureau system provided more than a reporter and a camera in a remote part of the world when news broke. It gave the networks a feel for the cultures and nations where they had correspondents. It gave them an institutional intelligence and an continuing sense of changing events. Even the choice of where to locate bureaus carried with it some intrinsic bias toward where the "important" international news would come from. Nevertheless, the bureaus at least left the networks more prepared cover news as it was bending, not just when it had broken, and to cover certain parts of the world in a sustained way, not just to parachute in and then leave.

Another factor is that the foreign bureaus were set up primarily to service the evening newscasts, not the morning programs. As the news divisions switched emphasis to the mornings, the domestic-to-overseas mix shifted accordingly.

On one hand, it would be a mistake, some network veterans caution, to give the old networks too much credit for the feel they had for distant cultures. The television networks never had as many bureaus as did The New York Times or even The Los Angeles Times, for instance.

Still, the decline in foreign bureaus raises another question that relates to the agenda-setting power of television. Network executives contend that the withdrawal from covering the globe, at least before September 11, was driven by viewer demand. Americans were no longer so interested in international events after the Cold War ended. The networks could cite ratings figures and, privately, suggested they had market research as well, to prove it. Critics of the networks, on the other hand, charge that the American public's declining interest in international affairs, at least before September 11, was driven in part by the news media, particularly television, pulling back on foreign news to save money. If Americans in the age of globalization were uninterested in events around the world, this sentiment goes, it was only because the news media were failing to make these events as relevant as they really were.

Which argument has more merit? Certainly some decline in interest in foreign affairs was inevitable and logical after the end of the Cold War. Yet the full explanation is probably more complex than that. In most cases, the closing of bureaus was generated by a mandate to cut costs, not simply to redeploy resources. Foreign bureaus are more expensive to run than others, so closing them yields more savings. In addition, it is difficult for journalists to know in advance what audiences want. News by its nature is the unexpected, the unplanned, the new. Journalistic market research by its nature is soft.

Finally, to deny that the media have any agenda-setting power – that it merely reflects viewer interest and does not shape it – flies in the face of nearly all the social science research on the influence of television. The truth, in other words, is probably some combination of these factors. Television’s pullback from covering the world before September 11 may have reflected an American impulse. But it doubtless over time reinforced and intensified that impulse. And it had the advantage of helping the bottom line.

One last note: each of the networks lists Baghdad as the site of one of its bureaus. If and when the situation stabilizes in Iraq, one would expect those bureaus to close as well. If they close and no other new bureaus are created, the networks could each be left with five foreign bureaus apiece.

News Hole

As staffs get smaller and bureaus close, another change occurring in network news is that there is less of it. In both the morning and evening news time slots, the evidence suggests there are fewer minutes devoted to news in the newscasts.

Data from the researcher Andrew Tyndall show that the amount of time devoted to news — as opposed to ads, promos and teasers — on the half-hour network nightly news has shrunk 11 percent in 12 years, from 21 minutes in 1991, after the first Gulf War, to 18.7 minutes in 2002, on the eve of the second Gulf War. Extra time devoted to coverage of the September 11 attacks in 2001 accounts for the only anomaly in the downward trend.

Average Time Devoted to News
on Evening Newscasts
1988 to 2002

Year	Time (in Minutes)
1988	21.0
1989	21.0
1990	21.0
1991	21.0
1992	20.6
1993	20.4
1994	20.1
1995	19.9
1996	19.6
1997	19.1
1998	19.0
1999	18.8
2000	18.8
2001	19.0
2002	18.7
2003	18.8

Source: Andrew Tyndall, unpublished data

More limited data also suggest a similarly pronounced shrinkage in the news hole of the morning news, where every hour contains on average two fewer minutes of programming over 10 years — 44 minutes 10 seconds in 1992 versus 41 minutes 57 seconds in 2001, according to a study from the American Association of Advertising Agencies and the Association of National Advertisers. These figures are softer than the Tyndall data since the advertisers study tracks just one week of programming each year, rather than being a census of every broadcast, and there are fluctuations week to week. Still, it mirrors what has happened in the evening news and suggests that more than a minute of it went to commercials with another minute going to commercials, promos and public service announcements, or PSAs.

Average Division of Time on Morning News
1992 to 2001

	Programming	Commercials	Promos/Credits	PSAs
1992	44:10	13:49	1:49	0:12
1993	43:34	13:48	2:26	0:11
1994	43:25	13:27	2:47	0:21
1995	43:40	13:29	2:22	0:29
1996	44:27	12:56	2:06	0:31
1997	44:01	13:20	2:13	0:26
1998	43:20	13:29	2:42	0:29
1999	42:28	14:49	2:18	0:25
2000	42:15	14:34	2:47	0:24
2001	41:57	14:57	2:42	0:24

Source: American Association of Advertising Agencies (AAAA) and the Association of National Advertisers, Inc., "Television Commercial Monitoring Report," 2001, p. 18.

The pros and cons of these changes are interesting to ponder. Giving up more of the news hole for promotions and ads clearly has an impact on the program, shrinking it and perhaps making it more irritating to the audience since it has more commercials and promos.

Yet that extra minute of ads per hour can mean extra money for the news divisions and the salaries of the stars who populate them. The decision to sell off more of the newscast, in other words, is probably one that involves weighing short-term gain versus long-term cost and estimating the marginal impact on audiences. Will they notice? Will they care?

The changes add up fairly simply. Fewer people, based in fewer places, are filling more hours of news, although the size of the news hole in each of those programs is actually somewhat smaller.

The net effect is seen in the content. The networks have a harder time sustaining coverage of complex events. There are fewer specialists and beats. For instance, while the news agenda of network news changed sharply after September 11, 2001, that shift was not sustained in the first six months of 2002, when the nightly news returned partly to the same news topic agenda it had before the terrorist attacks. (see content). Even in the weeks following September 11, network executives said, the networks felt that they had excelled, but they had become exhausted. As one then-retired executive with close ties to one of the networks put it at the time, "they no longer had the bench" to do this kind of coverage for more than a few weeks.

A comparison of the size of the news hole with the average number of correspondents per newsroom shows that the number of on-air reporters per minute of news has basically remained constant. But as the charts show, the number of reporters is smaller than it was in 1988, but there is less time available for those correspondents' stories.

On the one hand, with fewer viewers watching the traditional evening newscasts, one can argue that it makes sense for news divisions to shift resources away from nightly news and the areas of expertise needed for those programs, such as foreign bureaus.

On the other hand, one can also argue there is a question of chicken and egg. A smaller news hole, and thus a smaller and perhaps more limited program, may be one of the reasons viewership has declined.

Footnotes

1. Professor Joe Foote, Arizona State University (Tempe, Az.), unpublished data.
2. Andrew Tyndall, unpublished data, www.tyndallreport.com; American Association of Advertising Agencies and the Association of National Advertisers, "Television Commercial Monitoring Report," p. 18.
3. Leadership Directories, *News Media Yellow Book*, 2003.
4. Leadership Directories, *News Media Yellow Book*, 2003.
5. Lucinda Fleeson, "Bureau of Missing Bureaus," *American Journalism Review*, October/November 2003. Online: <http://www.ajr.org/Article.asp?id=3409>.
6. Lucinda Fleeson, "Bureau of Missing Bureaus," *American Journalism Review*, October/November 2003. Online: <http://www.ajr.org/Article.asp?id=3409>.

Public Attitudes

Public Attitudes

The public's opinion of the network news divisions is similar to the feelings they have about the news media in general. They feel that news coverage by the networks is less accurate and that generally the networks are not doing as good a job they did 15 to 20 years ago. Some facts and figures:

- The number of people giving ABC, CBS or NBC news the highest mark for believability has fallen from roughly 32 percent in 1985 to 23 percent in 2002. ¹
- Tom Brokaw is the most trusted anchorman, followed by Peter Jennings and then Dan Rather, mirroring the ratings for the three nightly newscasts. ²
- From 1995 to 2002, the number of people giving Network News an A or B for overall news coverage remained relatively steady, but the number giving the networks a D or F increased. ³

In addition to these numbers, surveys indicate that the networks are no longer the place viewers go when news is breaking. Increasingly they are turning to cable. A 2003 *TV Guide* poll found that viewers were more likely to name one of the cable networks as their source for breaking news; CNN was the choice of 31 percent of the public, "more than ABC (8.5 percent), NBC (11 percent) and CBS (6 percent) combined." Fox News came in second after CNN. ⁴

The Anchor the Public Trusts

When it comes to a familiar face delivering the news, the networks still have the respect of viewers. According to surveys from *TV Guide*, all of the network's primary anchors scored even with or above the highest of their cable counterparts in overall trustworthiness.

The overall winner was NBC's Tom Brokaw, who was considered the most trusted anchor in news by 22 percent, according to the *TV Guide* poll. That number may reflect the fact that NBC is the ratings leader in the evening news time slot. While 22 percent may not sound large, consider that is in comparison to all anchors on the air – network or cable. In fact, Brokaw has a fairly sizable lead over his next nearest competitor. ABC's Peter Jennings and CBS's Dan Rather are in a virtual tie for second being most trusted by 17 percent and 16 percent, respectively.

Here too, however, there is reason for the networks to be concerned. Fox News's Shepard Smith, is essentially tied with Jennings and Rather with 16 percent citing him as the most trusted anchor. And Smith is viewed as most trusted by a wide majority among younger viewers 18 to 24 years old.

CNN's Aaron Brown was voted most trusted by 11 percent of viewers. Brian Williams, who has been identified to become the successor after the 2004 election to Tom Brokaw as anchor of the NBC "Nightly News," got the lowest marks with 4 percent. ⁵

Paul Friedman, the former executive vice president of news for ABC, notes that over the years, exposure is an important part of what develops trust. Walter Cronkite was trusted in part, in other words, according to this thinking, because he sat in the anchor chair for so long. Time confers trust. Obviously, that alone is not enough. Dan Rather, the longest-sitting anchor, does not rank at the top of this list. Still, it is a factor, and cable anchors, with the number of hours they are on the air, get a lot of exposure.

Weaker Coverage

Getting away from the explicit question of "believability," the networks are no longer seen as even doing the best job in their news coverage. A survey conducted in summer 2001 by The Pew Research Center for the People and the Press found that 56 percent of the public graded the broadcast news divisions an A or a B for their overall news coverage. Cable news, by contrast, was given an A or B by 67 percent of the public. The numbers for network news have changed little from a poll that asked the same question in 1995, when 57 percent of the public gave network news an A or B. ⁶

Grading the Network News Organizations

	A	B	C	D	F	Can't Say
Network News, 1995	15	42	31	6	2	4
Network News, 2002	18	38	26	10	4	4

Source: Pew Research Center

By many key traditional measures of journalistic quality – breadth of topics covered, comprehensiveness of sourcing, resources devoted to writing and editing – this study may lead people to conclude that the content of the networks' newscasts is superior to that of the cable networks. It is unclear whether people responding to the Pew surveys actually prefer the content of cable or like the convenience and immediacy of it and the fact that it comes from a source that is dedicated to the deliver of news and information exclusively.

Footnotes

1. Pew Research Center, "News media's improved image proves short-lived," August 4, 2002, Topline, Question 2. Online: <http://people-press.org/reports/display.php3?ReportID=159>
2. J. Max Robins, "Wins of War," *TV Guide*, April 7, 2003.
3. Pew Research Center, "America's Place In The World, III," August 21-September 5, 2001
4. J. Max Robins, "Wins of War," *TV Guide*, April 7, 2003.
5. J. Max Robins, "Wins of War," *TV Guide*, April 7, 2003.
6. Pew Research Center, "America's Place In The World, III," August 21-September 5, 2001.

Network Conclusion

Conclusion

The most immediate question about the future of network news concerns the anchors. At each of the three networks, the man occupying the anchor chair is near retirement. The first expected to leave, Tom Brokaw of NBC, is scheduled to step down after the November elections.

What will happen when a new generation of anchors, people who rose during the current, and less influential, era of network news takes over? Will it lead to an innovative re-imagining of the nightly news? Or will the retirements of the big three anchors mean a loss in prestige for the newscasts with audiences, largely older Americans, more comfortable with familiar faces?

Change, of course, has long been part of the story of news, for the networks and for the dissemination of information in general. But how the networks respond to this next shift will depend in part on how much the corporations that own the networks – General Electric, Viacom and Disney – want to be in the news business.

There are probably three ways to look at network news. It can be seen as something clearly quantifiable, a product that justifies its existence in current return to the bottom line. One can also have a more complicated and also skeptical view, that news is a cost of doing business but a bit of a headache, an obligation that viewers have come to expect that is something of a financial drag. Or one may have a more optimistic view, that news is a service that adds genuine if unquantifiable value – personality, credibility, a sense of public responsibility – that in turn translates into viewer loyalty, stronger affiliates, better ratings and a brand exportable to new product lines like the Internet.

All three viewpoints are defensible. In the end, they come down to the values of the owners, their vision of their business. Yet each shapes how much one is willing to invest in news and thus the business model for the future. The options are many.

The networks could keep their news largely a mass medium product, but likely a smaller one. This means producing programs mainly for their core broadcast channel, as they do now. In this vision, network news would likely continue to lose audience. That would probably translate into further cuts in the news division and a diminution in quality, which might further chase audience away. This is the easiest model to imagine.

The other networks also could follow NBC's example and create 24-hour news channels on cable to reach more audience and distribute use their resources more widely. Fox is approaching this in a smaller form with some network news programming in addition to its cable channel. ABC discussed the option with CNN before backing out. The concern is whether the cable universe is already too crowded.

The networks also could create even more paths for transmission, to more targeted and customized audiences. Imagine a newscast for MTV, another for Discovery, one for the History Channel, even in different languages. ABC and CBS executives have proffered plans along these lines, but were rebuffed by their companies. The news divisions also could go further into the business they offer local affiliates now, providing the news piecemeal, offering stories, newsbriefs and inserts for other channels to provide, a kind of supplemental television wire service for any outlet on television.

The biggest question for the networks may be what happens in the age of broadband, when the distinctions between cable and network television become less important. As the convergence of news technologies grows, there will almost certainly be more and deeper amounts of content available for those who want it. If people are getting television news on demand, on their phones and PDAs as well as their televisions, will the advantages cable has now – immediacy and convenience – mean as much as they do today? Or will the reporting and story-telling strengths of network news that viewers apparently still prefer on the occasions when network and cable compete head to head become more important?

Predictions about the future of news usually prove wrong. Some combination of options is likely. What probably matters more is whether the large corporations that control the networks now add more than incrementally to their current business model. If institutions that prevail in the future are entrepreneurial enough – with a vision, a willingness to invest and take risks – and the old networks die, a half-century of expertise, experience and credibility that are difficult to replace will go with them.

Cable TV – Intro

Intro

By the Project for Excellence in Journalism with Andrew Tyndall

The convenience of 24-hour cable TV news, offering the latest breaking headlines at any time of the day or night, represents an enormous structural advantage for cable over network television. Cable has become the television news medium of choice. The network most cited as the No. 1 source for news remains CNN, preferred over the broadcast networks and even its cable rivals.

Yet all is not so rosy. Cable television's audiences are not as large or as constant as its boosters depict. The growth of its core audience reached a peak around the time of the September 11 attacks and has stalled since. Inside cable newsrooms, Fox still seems to be trying to build staff (perhaps because, unlike CNN and MSNBC, it is still gaining audience) but, overall, the age of innovation and investment in new kinds of programs or people that characterized cable news is no more.

Increasingly, anchors or even control room managers – but not correspondents – are the primary figures in cable. After CNN merged with AOL, it began to shed people and to imitate Fox's less costly live-chat model. MSNBC remains somewhat more of a showcase for NBC correspondents, but this may be helping NBC News more than the cable sibling.

One of the most deeply held notions that journalists are taught, that they are telling stories, does not strictly apply to cable news. Instead, viewers often see newsgathering in the raw: live interviewing illustrated by unedited videotape, extemporaneous reporting with little time to write or consult sources. The traditional staple of television news, the produced, written, edited and taped package, has been sidelined. What was once the raw ingredient of journalism is now the product.

Hour after hour, across all parts of the day, cable television news features constant repetition, a narrow news agenda, an obsession with headlines, scanty sourcing and little autonomy for correspondents in the field.

Many ideas about cable's audience may also defy conventional wisdom. Contrary to press reports, the cable audience appears to have flattened since 2002. It is not growing. The medium kept none of the viewers it gained during the 2003 war in Iraq, and now that Fox and MSNBC are carried on most systems, continued growth may be harder to come by. As of early 2004, roughly 2.2 million viewers typically watched the three cable news networks every day in prime time, about the same number as in early 2002.

Fox, while the leader in ratings, also may not dominate as much as people imagine. Of the three channels, Fox is still gaining in ratings, while CNN and MSNBC are losing. At any given moment, Fox's audience is 60 percent higher than CNN's. Still, polling data continue to suggest that more people cite CNN as a news source overall. The problem in the numbers for CNN is that people are not all watching at the same time.

Financially, the story is clearer. When it comes to revenue and profit, CNN, not Fox, remains the leader, by a large margin. Fox is beginning to narrow that gap, but there is a long way to go. The leadership in cable, in other words, is a more complex picture than it might seem.

On the other hand, MSNBC is clearly third in both audience and economics.

One question is what will happen down the road when television and the Internet begin to merge with the expansion of broadband technology. At that point, cable, broadcast and the Web will more closely begin to compete for the same audience. The convenience of getting television news on demand will become less of an advantage for cable alone. Will differences in content play a bigger role in determining audience preference? Even now, when cable networks and broadcast news go head-to-head – during the first day or two of a breaking news event, or even during the morning news hour – the traditional networks remain the preferred medium.

The technology is not yet there. Television news is still something viewers watch mainly in a passive way. Yet when the technology changes and the media converge, the advantage may depend more on which media and which outlet have the strongest news gathering and storytelling abilities.

Cable Content Analysis

Content Analysis

The most notable finding here is that cable news has all but abandoned what was once the primary element of television news, the written and edited story. In doing so, it has de-emphasized the story package's strengths, namely the chance to verify, edit and carefully choose words and pictures. The stress in cable news is on immediacy and cost efficiency of the live interview and unedited reporter stand-up.

Next, rather than covering a comprehensive menu of issues, each morning the cable channels settle on a limited number of core stories that are then repeated, and only occasionally substantively updated, as the day proceeds. The level of repetition on cable is enormous. The level of updating is minor.

There are four distinct parts to the cable day — morning news, daytime, early evening and prime time — and each has different qualities. Prime time is remarkable for the fact that, for channels label themselves news, it is almost totally bereft of newscasts. If viewers wanted a comprehensive prime time survey of the national and international news of the day on these cable channels, only CNN offers such a newscast, and then for only one hour of its prime time schedule.

While there are differences among the three cable channels, the similarities in how they are put together and what they choose to cover stand out.

The dominant impression is that managers in the control room, rather than the on-air talent, function as the real agents of influence in cable. They decide what pictures to air, what stories to cover, where to go next, who gets to express expert knowledge and analysis. They define the personality of the product.

To get a sense of the nature of cable news, the study looked at five sample days for the three cable news networks, CNN, Fox News, and MSNBC, and studied those five days intensively, for 16 hours each day, or 240 hours of programming, some 5,570 story segments.

This intensive approach, examining days in depth over many hours, allowed researchers to get a sense of how cable news is constructed throughout the day. More conventional studies have tended to examine short periods of time on cable, usually a single program, over a longer number of days, the way that traditional network evening newscasts are studied. This conventional approach, while useful, leaves too much of the cable day unexamined.

For this study, instead, one of each of the five weekdays was selected at random from May to October of 2003. ¹ For those dates, our partner, ADT Research, publisher of the Tyndall Report, monitored and coded the cable programming continuously from 7 a.m. to 11 p.m. Eastern time. ²

The Abandonment of the Written Edited Story

The most striking finding is the means by which cable news now communicates information.

Of the 240 hours of programming studied, only 11 percent of that time and 8 percent of the stories consisted of written and edited packages.

This makes cable news markedly different from most other forms of journalism, including nightly news, television documentaries, newspapers, the Internet or even local television. On the commercial broadcast networks' nightly newscasts, packages occupy 84 percent of their editorial time.

Instead, 62 percent of the time on cable is conducted in "live" mode. Most of this is conducted through interviews, usually by anchors. A third of the cable news day (32 percent) is devoted to interviews conducted with newsmakers, outside experts, celebrities or ordinary people. Another 9 percent is devoted to question-and-answer sessions with the cable channels' own in-house analysts, experts and staffers.

Story Types on Cable News
Percent of All Time

	Percent
Edited Package	11%
Interviews	41
Standups	21
Anchor Reads	15
Live Events	8
Banter	3
External Source	1

Total may not equal 100 due to rounding.

What then is the reporter's role on cable news? Mostly it is to do live reporter stand-ups—continuous talking, unedited and unpunctuated by soundbites from any other source. In all, reporter stand-ups made up 21 percent of the entire cable news hole.

This tendency is drastically different than commercial nightly news. There live stand-ups take up only 2 percent of the time.

A further 15 percent of cable time is spent with anchors narrating video or doing “tells,” reading copy without pictures.

Live events themselves, such as those covered by C-SPAN, are not a significant part of cable news, at least during the time-period sampled. Only 8 percent of the time in the sample was made up of live events.

Crosstalk, or banter between anchors or between anchors and correspondents, was negligible (3 percent) and almost entirely confined to morning programming.

Taken together, this emphasis away from edited stories and toward interviews and stand-ups has two important implications.

One is it de-emphasizes the role of the reporter. Cable is increasingly becoming an anchor medium, in stark contrast to where it began, and this is particularly true in the morning and evening.

Second, the majority of time on cable is something close to a first draft, or in the case of interviews, news gathering in the raw. Both live interviews and stand-ups are produced without any chance to edit, and usually with limited or no time to write.

Correspondents talk either extemporaneously or from notes on a legal pad, something akin to what dictating once was in newspapers. On TV, however, there is no rewrite man or woman on the other end of the phone to clarify and verify. In a sense, that is left to the audience.

The average reporter stand-up was 130 seconds, a little over two minutes, and just 12 seconds shorter than the few edited packages. Talking for that length of time without interruption, usually extemporaneously, says researcher Andrew Tyndall, tends to make talkativeness and telegenicity major virtues for cable correspondents. Traditional journalism skills such as writing, editing, cultivating sources and writing to pictures tend to become less important. Indeed, the requirement that reporters be so frequently available during the day to do these repetitive stand-ups necessarily eats into the time that they otherwise would have to be in the field collecting information and talking to sources. Everything is filtered through the reporter since audiences cannot hear or see sources for themselves in soundbites.

On the relatively few occasions when cable stations presented written and edited packages, they tended to be less densely packed with information than on broadcast nightly newscasts. For instance, on the three commercial networks and the PBS “NewsHour,” 47 percent of the stories cited at least two separate named and identified sources, while only 24 percent of stories on cable had that level of sourcing.

Cable packages were also slightly shorter than on network nightly news, with an average length of 142 seconds, versus 164 for nightly news on broadcast television.

Though less densely sourced than network packages, packages on cable, rare as they were, were still more heavily and clearly sourced than cable's more dominant methods of communicating — interviews or stand-ups. Take, for instance, the difference between packages and reporter stand-ups on cable. Only 15 percent of cable stand-ups cited at least three fully identified sources, whereas 35 percent of their edited packages contained that density of sourcing.

Furthermore, any source cited in a stand-up is not quoted in the form of a soundbite that audiences can see and hear for themselves. Instead, their words are characterized second-hand by the reporter.

Average Story Length on Cable News
Length in Seconds

	Seconds
Edited Package	142
Guest Interviews	249
Corresp. Interviews	194
Stand-ups	130
Anchor Reads	30
Live Events	558

Interviews, the primary and most detailed means of communicating in cable, averaged more than six minutes in length. They also offer audiences the chance to assess a source for themselves. The problem, though, is that that may be the only source heard from in a piece, the only point of view offered.

Even these totals for named and identified sources, however, slightly overstate the degree to which cable reporters engage in first-hand reporting. We took a three-day subsample to examine the extent to which the cable news networks use other journalistic organizations as sources rather than checking with primary sources directly. We found that 11 percent of all named and identified sources cited by the three cable news channels were actually other news organizations (CNN cited 144 news organizations among its 1,131 separate sources; Fox News 104 of 1,049; MSNBC 108 of 997).

Immediacy and Updating

The second major finding about cable is the limited breadth of the cable news agenda and the limited amount of updating.

Considering all the time cable news has to cover global developments across any number of beats and subject areas, each day's news agenda was narrowly defined, determined in the morning and largely just replicated thereafter.

In the course of 16 hours of viewing starting at 7 a.m., three-quarters of the stories on cable throughout the day (73 percent) are the same matter turned to repeatedly.

The cable channels would have you believe that these stories they turn to again are developing stories they are following and updating through the course of the day. It turns out that is not the case.

The content analysis found that only 5 percent of the stories returned to during the day contained substantive new facts.

In other words, 68 percent of the stories on cable news were segments that repeated the same information without any meaningful new information. ³

Sometimes these stories are returned to with peculiar urgency, with labels describing them as breaking news, despite little of substance changing. This seemed to be particularly the case if there was a new picture of some kind. It is not unusual, for instance, to see moments, such as one in December on CNN, when a Santa Barbara, Calif., prosecutor was followed getting out of his car, walking up the sidewalk and into a building without saying a word. Yet the footage carried the header "Breaking News: Jackson Prosecutor Arrives at Court Building."

Such images are often little more than what television people call "B-roll," the raw footage that camera crews shoot through the course of the day, being put out on the air live. What were once the raw ingredients that made up journalism, the grist that was ground down into on-air material with the chaff discarded, now are the product. It is the television set as "feed room."

Other times, the cable channels decide to repeat stories but make them look new. They return, for example, to another live stand-up by a White House correspondent who again delivers reaction to economic figures released earlier in the day, even though the reaction is the same one the correspondent described an hour earlier and could just have easily have been taped and rerun. This repetition looks more immediate because it is live and because the correspondent does not explain that the reaction came earlier in the day. The anchors often introduce these segments as going back for "the latest" rather than as repetition. It takes some decoding by the audience to recognize that there is nothing new here.

Topics

What is the news agenda on cable?

Here conclusions must be tentative because the study examined a large number of hours, but only over five days. The extreme frequency of story repetition in a day, moreover, makes the diversity of topics even more limited.

Most striking is what was missing. There were only a handful of programs organized around specialized news beat areas. These included CNN's "Inside Politics" and "Lou Dobbs Tonight" (economics), Fox's "On the Record" (crime) and MSNBC's "Abrams Report" (crime).

On the weekdays we studied, none of the three cable networks produced any programs devoted to in-depth coverage of any other specialized areas, social issues or other domestic or international themes. There are no designated programs, for instance, on healthcare, the environment, arts and culture, religion, travel education or the family. The headline-driven story selection criterion at each cable network determined that these beats were covered only scantily if they did not happen to surface as headline stories.

Topics on Cable News
Percent of All Time

	Total	CNN	Fox	MSNBC
Government	29%	22%	28%	31%
Foreign Affairs/Military	22	24	21	21
Defense	2	2	2	2
Domestic	6	7	8	5
Business/Commerce	3	3	3	2
Crime	11	10	12	9
Science/Tech.	1	1	1	1
Celebrity/Enter.	7	7	5	8
Lifestyle	9	9	9	9
Accidents/Disasters	10	13	9	8
Other	3	3	2	4

Totals may not equal 100 due to rounding.

In our sample, for example, the limited nature of topics can be seen even more clearly if we look at just one area, domestic affairs. The subcategories of public health, education, the environment, the health care system, and transportation accounted for just 2 percent of the time on the three cable channels. Terrorism accounted for double that.

Here is another way to look at it. If people had watched one of these cable channels for the entire 16 hours, they would have in the course of the full day seen: 4

- Two minutes about education
- One minute about the environment
- One minute about healthcare
- Four minutes about the arts and culture
- Two and a half minutes about science
- Half a minute on medical research
- Just under four minutes on transportation
- Six minutes on family and parenting issues

Given that most people do not watch a cable channel for 16 hours a day, in practical terms they saw virtually nothing about these areas.

In contrast, on a given day, watching for 16 hours, they would have seen:

- More than an hour of crime news
- One hour of accidents and disasters
- 53 minutes of lifestyle coverage
- 41 minutes of celebrity/entertainment news
- An hour and 35 minutes about politics
- Two hours and 17 minutes about Iraq

Differences In Cable Networks

Much of the popular discussion of cable surrounds the question of ideology, and whether Fox News is, as advertised, fairer and more balanced than the other networks or, as some critics allege, it is a more ideologically conservative network.

This study does not attempt to quantify this. Ideology, to some degree, is in the eye of the beholder and is a difficult matter to pin down with numbers.

But a close look at the journalistic makeup of cable news suggests that the more manifest “Fox Effect” on cable news is economic – an orientation toward using fewer people to produce news by focusing on fewer topics, doing fewer edited stories and airing more live reports.

CNN was more likely to do taped packages (18 percent of total airtime versus 8 percent for MSNBC and Fox News). This is especially true during early evening, when CNN’s “Politics Today” and “Lou Dobbs Tonight” are shown. During that time, 29 percent of the CNN news hole is edited packages (compared with 14 percent taped packages in the early evening on Fox News and 10 percent on MSNBC).

By contrast, voiceover videotapes, reports in which the anchor comments while the screen shows silent video, are a specialty of Fox News. In the course of a day, Fox News presents an average of 11 each hour (CNN and MSNBC each average eight), reaching a dizzying peak in the anchor Shepard Smith’s “Fox Report,” whose hour contains a daily average of 46 voiceovers, as many as ABC’s Peter Jennings would deliver in 10 half-hour newscasts.

Story Types on Cable News Percent of All Time

	CNN	Fox News	MSNBC
Edited Package	18%	8%	8%
External Interviews	28	36	33
Internal Interviews	8	9	10
Standups	22	22	20
Anchor Reads	13	15	16
Live Events	8	7	8
Banter	2	3	4
External Source	0	1	1

Totals may not equal 100 due to rounding.

Beyond that, however, the similarities among the networks are bigger than the differences. The topics on the three networks, for instance, are remarkably similar. And, the three networks are virtually indistinguishable in the level of repetition, the percentage of new stories through the course of the day and the level of substantive updates.

They are virtually identical in the level of national versus international stories.

They are also similar in the sourcing of their stories. At each of the networks only between 22 and 26 percent of their segments cited and identified at least two named sources. They differed little in the use of anonymous sourcing. At

CNN and Fox News, about a quarter of the stories (23 percent each) relied on anonymous sources. The number was only slightly lower at MSNBC, 19 percent.

Daypart May Make More Difference Than Network

While the journalistic makeup at the three cable channels is similar, it is a misleading to talk about cable news as if it were one seamless product. Rather, there are four distinct personalities to the cable news day- morning news, daytime, early evening and prime time. Except in the morning, they bear striking resemblances on all three channels.

Morning

The morning news, from 7 a.m. to 9 a.m. (and until 10 a.m. on CNN), is one of the few periods when there are clear and measurable differences among the networks in their fundamental journalistic approaches. 5

CNN's "American Morning" has more of a hint of a traditional news program. About 12 percent of the time is filled with packages by correspondents. Just 3 percent of the time is filled with anchor banter.

MSNBC's morning program is literally the Don Imus radio show put on television, with 25 percent of the time anchor banter and only 3 percent packages. It may make corporate sense for NBC News to devote such minimal resources to cable programming in this time slot since its biggest hit, the "Today" show, airs simultaneously on broadcast.

Fox News's morning show, "Fox and Friends," is a hybrid of a morning network television news show and a morning drive time radio show. There are virtually no story packages (1 percent of the time) and 18 percent of the time is anchor banter.

All three morning programs rely more heavily on interviews (39 percent at CNN, 45 percent Fox News and 47 percent for Imus at MSNBC) than in any other part of the day that was examined.

Cable Morning News, Story Type
Percent of All Time

	Total	CNN	Fox News	MSNBC
Edited Package	6%	12%	1%	3%
External Interviews	32	28	38	32
Internal Interviews	11	11	7	15
Standups	17	23	19	5
Anchor Reads	18	20	15	18
Live Events	2	4	2	1
Banter	14	3	18	25
External Source	0	0	0	0

Totals may not equal 100 due to rounding.

Daytime

At midmorning (9 a.m., but 10 a.m. on CNN) 6, the three cable channels convert to newsdesk programs following the handful of selected stories of the day, usually those with some visual component they can follow. This is the daytime part of cable, with generic, unpackaged content embodied in the programs' titles: CNN's "Live From..." or "Fox News Live" or "MSNBC Live." With more correspondents now working, and the news day in full swing, there is more use of reporter stand-ups, which make up a third of the daytime news hole. Anchor "tell" stories (even though they average just 30 seconds in duration) are now so numerous that they take up more total time than two-minute-plus taped reports. Interviews become less frequent than at any time of the day and anchor banter all but disappears.

Cable Daytime News, Story Type
Percent of All Time

	Total	CNN	Fox News	MSNBC
Edited Package	11%	14%	8%	10%
External Interviews	21	20	27	16
Internal Interviews	8	8	5	11
Standups	34	33	35	34
Anchor Reads	15	14	15	15
Live Events	10	10	9	11
Banter	1	1	*	1
External Source	1	1	1	1

Totals may not equal 100 due to rounding.

Early Evening

As daytime programming switches to early evening, all three cable news networks adjust again. 7 On all three channels, this is the time of day when traditional taped packages are most likely to air, but there are great disparities between their decisions about how prominently to use this format. CNN uses this format frequently (29 percent of the time, compared to 14 percent at Fox News and only 10 percent at MSNBC) in programs such as “Wolf Blitzer Reports,” “Lou Dobbs Tonight” and “Anderson Cooper 360°.”

Fox News uses this time period to showcase its panel of in-house experts (13 percent of the time, compared to 6 percent at CNN and 10 percent at MSNBC), the most notable fixture being Brit Hume’s panel of political pundits on “Special Report.”

By contrast, MSNBC’s interview subjects tend to be guests rather than staffers (42 percent of the time, compared to 29 percent at CNN and 38 percent at Fox News). Chris Matthews’ “Hardball” on MSNBC has an interview format to counterprogram Cooper on CNN and Smith on Fox News.

Cable Early Evening News, Story Type
Percent of All Time

	Total	CNN	Fox News	MSNBC
Edited Package	18%	29%	14%	10%
External Interviews	36	29	38	42
Internal Interviews	10	6	13	10
Standups	18	16	17	23
Anchor Reads	14	15	15	11
Live Events	1	1	2	2
Banter	2	4	*	1
External Source	*	0	*	1

Totals may not equal 100 due to rounding.

Prime Time

As the cable channels move into prime time, after 8 p.m., the term “cable news” is arguably something of a misnomer altogether. 8 Few of the programs are newscasts in the traditional sense of the term. They might more accurately be described as talk radio on television – interview programs, often with people who are also radio talk show hosts during the day. CNN’s “NewsNight With Aaron Brown” is the closest prime time cable comes to a conventional newscast.

Interviews with guests – newsmakers, celebrities, experts, political activists – begin to dominate. They are even more frequent than in the mornings (at CNN 45 percent of the time, at Fox News 46 percent and at MSNBC 55 percent). The content, moreover, switches from being driven by the day’s headlines to topics chosen by the networks’ interviewer-anchors such as CNN’s Larry King, Fox News’ Bill O’Reilly and MSNBC’s Joe Scarborough.

Cable Prime Time News, Story Types
Percent of All Time

	Total	CNN	Fox News	MSNBC
Edited Package	9%	20%	4%	6%
External Interviews	49	45	46	55
Internal Interviews	8	8	13	4
Standups	6	6	8	3
Anchor Reads	14	5	17	20
Live Events	13	17	13	12
Banter	0	0	0	0
External Source	*	*	0	*

Totals may not equal 100 due to rounding.

Management — The Control Room as Star

Much of the commentary and analysis about the cable news networks performed by others has focused on teasing out the underlying political ideology informing what stories they select to cover, what journalistic angles they choose to emphasize and what personnel they hire as correspondents and in-house experts.

This analysis was designed to examine those same decisions but to inspect them instead according to journalistic criteria. What we have found is a series of decisions that strengthen management’s control over content and weaken autonomous decision-making by reporters.

On cable, whoever runs the control room is the star, more than the anchor and certainly more than the correspondent-producer team gathering news in the field.

This is manifest in many ways. It begins with the limited number of stories that the cable channels actually follow at length. Control goes to whoever makes the decision about what those stories will be. The control room makes the decision about what pictures will run over the correspondents’ stand-ups, and thus at least half of viewers’ impressions, whereas in a more story-driven medium, such as nightly news, the correspondents and their producers choose the pictures to illustrate their pieces. The notion from network nightly news, of the anchor as the “managing editor” of the newscast, being involved in decisions about story lineup, correspondent assignments and more along with the executive producer, is unthinkable in this live format, and unworkable. The exception is the prime time program – more interview than news program – in which the star anchor is the central figure.

These trends are true at all three cable channels. In some small ways, however, it might be argued that Fox News keeps somewhat tighter editorial control on the content of its interviews than its rivals. Fox, for instance, devotes more time to questions and answers with in-house experts than it does with “outsiders,” interview subjects who are not on the payroll.

The whole picture, at all three networks, is of a medium with enormous time to fill, with a great deal of repetition and perhaps with an impression of immediacy that is greater than reality. Viewers get closer to the raw elements that once went into journalism rather than what, in other forms of television news, was once considered the end product.

Footnotes

1. Within those months, the dates that randomly came up were Monday, June 16; Tuesday, July 15; Thursday, August 21; Friday, September 19, and Wednesday, September 24.

2. The intensive approach makes it difficult to compare the topic agenda on cable news to that of other media studied in this report, since there were fewer days and the dates did not overlap. In future years, we intend to combine both the intensive approach taken here with the more multiday approach taken for other media.

3. Our daily samples started with the morning programming at 7 a.m., so in the first few hours we may have been monitoring updates or repetitions of stories that had been airing overnight. These were not necessarily new material but instead just fresh to our monitors.

4. These breakdowns were calculated by taking the total number of seconds devoted to each topic overall, dividing by 60 (seconds) and then dividing by 3 (the cable channels). This results in an average number of minutes on a cable channel over the course of 28 days.

5. For the purposes of this study, the four day parts are roughly equal among the three cable networks but may vary by one hour depending on each network's specific programming. The morning segment ran from 7 to 10 a.m. on CNN and 7 to 9 a.m. on Fox and MSNBC.

6. For this study, the daytime category consisted of 10 a.m. to 4 p.m. on CNN, 9 a.m. to 3 p.m. on Fox and 9 a.m. to 4 p.m. on MSNBC).

7. Early evening ran from 4 to 8 p.m. on CNN, 3 to 7 p.m. on Fox and 4 to 7 p.m. on MSNBC.

8. For this study, prime time ran from 8 to 11 p.m. on CNN and 7 to 11 p.m. on both Fox and MSNBC.

See end of document for content analysis methodology.

Cable Audience

Audience

When trying to understand the audience for cable news, these questions stand out:

How many people watch cable news, and is that number growing?

Who is really No. 1?

How many people watch cable news versus broadcast?

The answers, we found, are not as simple as some people may think.

It has become fashionable of late to describe the current era as “the age of cable rising.” The ratings surge during the war in Iraq is usually cited.

The truth is much more complicated. If looked at clearly, the cable audience is really no larger today than it was two years ago.

The notion that cable is surging is based on numbers translated for journalists by the cable channels themselves, which convert the Nielsen ratings data into annual “averages.” By that accounting, thanks to an enormous but brief spike during the war, the cable news audience is described as surging. As reported in the press, Fox News in 2003 was up 53 percent overall (to 1 million viewers on average) and 45 percent in prime time (an average of 1.7 million viewers) over the year before. CNN had a 24 percent rise in all day viewing (665,000 at any given time) and a 22 percent jump for prime time (to 1.1 million). ¹

Yet such “averaging” tends to create a misimpression, the idea that the audience is spread relatively evenly through the year. In reality, cable ratings are among the most volatile in journalism, spiking and falling wildly with news events. A yearly average implies the typical cable audience is larger than it usually is. Instead, there is something closer to a normal base level cable audience most months punctuated by occasional spikes during rare major news events.

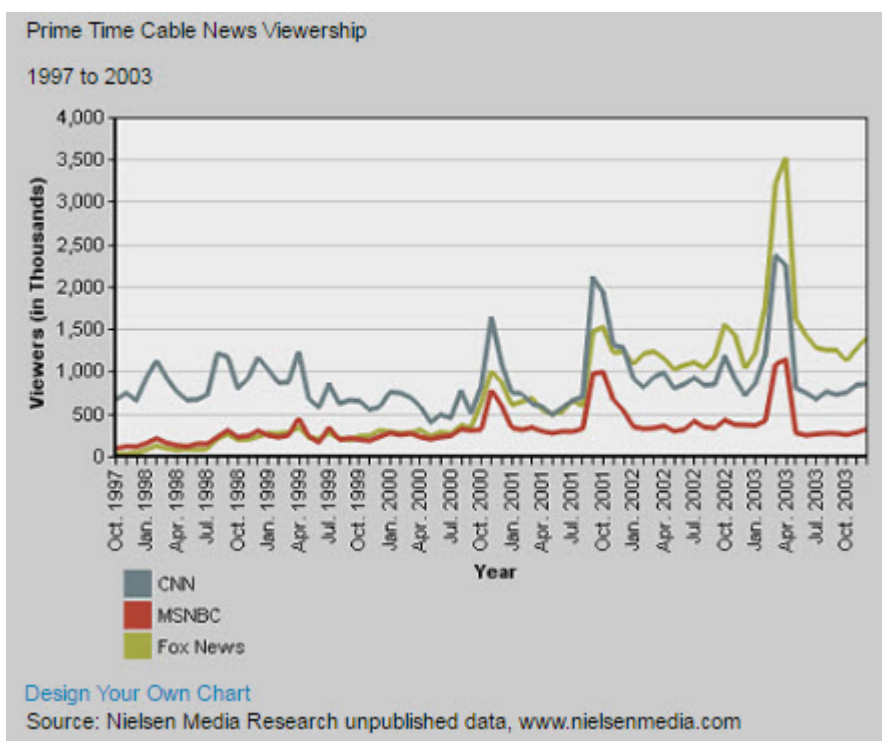
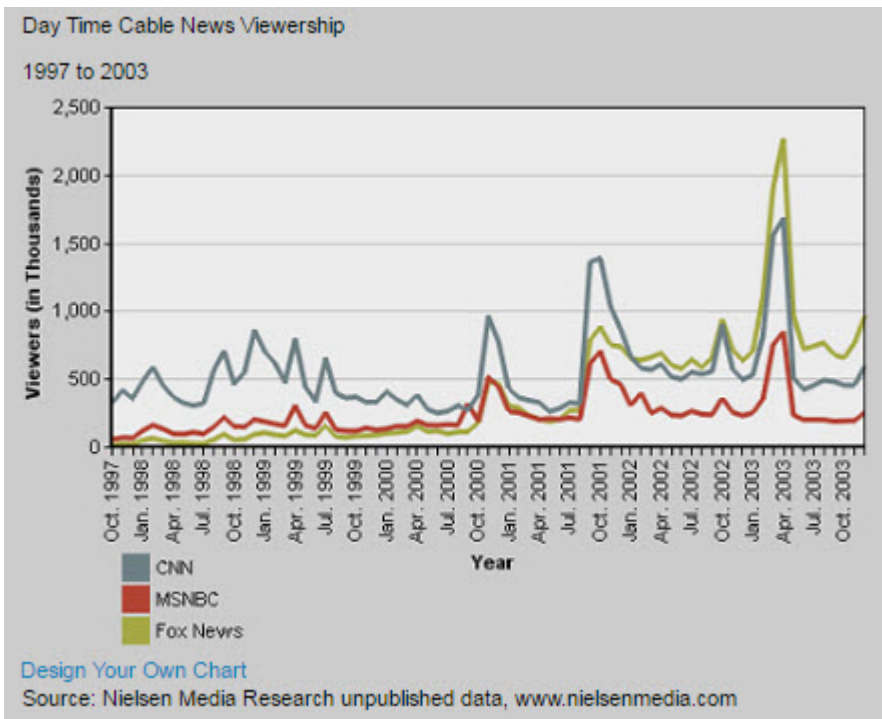
In mathematical terms, this would translate into looking at the median (defined as the middle value) rather than the average. For instance, taking the average viewership for 2003 and comparing it 2002 shows a large increase in the cable news audience – up 34 percent for the day and 32 percent for prime time. However, if we take the median, or the middle value of the 12 months, cable viewership was basically stagnant, showing no growth during the day and a gain of just 3 percent in prime time. Looking at the medians, CNN and MSNBC lost viewers in 2003, while Fox News saw an 18 percent rise in its median monthly audience. ²

2003 Median and Average Audience Growth from 2002

Source: Nielsen Media Research

	Median	Average
Daytime Cable	0%	+34%
Prime time Cable	+3%	+32%
Daytime CNN	-11%	+20%
Prime time CNN	-6%	+20%
Daytime Fox News	+18%	+53%
Prime time Fox News	+18%	+44%
Daytime MSNBC	-13%	+17%
Prime time MSNBC	-19%	+22%

Going back even farther, a detailed month-by-month analysis of cable shows the following basic story line over the last six years. Cable audiences saw a gradual growth after the launch of Fox News and MSNBC in 1996, then a jump after September 11, 2001. Since, then, however, the cable news audience at any given time overall is probably most accurately described as flat except for the beginning of the war in Iraq in 2003.



Cable viewer data are generally broken down by daytime and prime time. Looking at audiences each month, fewer than 700,000 people watched cable during any given daytime moment between October 1997 and July 1998, and fewer than 1.2 million watched in prime time. 3

That changed when the Clinton-Lewinsky scandal led to the Clinton impeachment proceedings in August 1998. The average daytime audience broke the 700,000 level six out of the next seven months. Prime time exceeded 1.2 million every month. But the audience began drifting downward again after the impeachment proceedings ended. 4

The Florida election fiasco in November 2000 proved to be the next major boost for cable. Daytime audiences doubled and prime time audiences nearly did that month, and while audiences began to recede again, they never fell back all the way to their previous levels. For each of the first eight months of 2001, audiences were larger than they were in the same month the year earlier.

Then came September 11, which seemed to create a structural change in the appeal of cable news. The average daytime cable audience in September 2001 surged well above 2 million for the first time. It has not dropped below 1.3 million since, more than double its usual monthly total before then. The prime time audience surpassed 4 million viewers for the first time, and has not fallen below 2 million since. Cable had a new sea level – nearly double what it was in 1998.

Yet since September 2001, there has been no rise in that base level audience. Even the war in Iraq in 2003 did not have the kind of lasting impact on cable that September 11 did.

The war did represent a boon for cable news. When it began in March, cable ratings nearly tripled from the week before. For April overall, more than 6.9 million people watched cable news in prime time on average at any given time, a new monthly high (see Sidebar on this page).

Yet the gains were short-lived. In May the monthly average number of viewers watching in prime time plummeted back down to 2.7 million viewers, in June to 2.4 million and in July to 2.2 million.

The war, in other words, did not change the base level audience.

Another way of looking at this is to look number of people watching cable news each month year to year. From September 2000 to August 2002, cable had a positive year-over-year audience growth every month in daytime and every month but one in prime time.

Yet since then, that growth has stopped. In four of the last six months of 2003 fewer people were watching cable news in both prime time and daytime than the year before.

In other words, cable news has held on to basically none of the viewers it gained during the war.

The cable news world is certainly much bigger than it once was. The typical base level for audience cable news is more than double what it was six years ago. And the spikes during major news events may be higher, too. More people turned cable during the war than ever before.

The Battle for the Top

Anyone who has followed the cable news industry over the two last years has surely heard that Fox News has overtaken CNN when it comes to audience. Or has it?

Looking only at Nielsen data, the most widely used source, the picture seems pretty clear. For 16 years, since its inception in 1980 until the launch of Fox News and MSNBC in 1996, CNN had a monopoly over cable news. Since late 1996, Fox News has grown rapidly. MSNBC, despite being carried on more cable systems initially than Fox News, never seemed to gain many viewers. Soon, it was largely a two-network race.

Starting in 2001, CNN began to lose viewers while Fox News slowly but steadily built an audience around shows such as "The O'Reilly Factor."⁵ The election dispute in Florida represented a boon for the medium, with viewership at all three networks spiking significantly in November 2000 compared with the rest of 2000. Then, in the election aftermath, Fox News held on to more of its new viewers than CNN.

In January of 2002, Fox News for the first time surpassed CNN in total viewers and held its lead. This was due more to big CNN losses, however, than Fox News's fairly steady but modest gains in viewers. (Fox News at the time averaged 1.1 million viewers in prime time versus 921,000 for CNN. MSNBC, a distant third, averaged 358,000 viewers in prime time.)⁶

A year later, in January 2003, Fox News had maintained its advantage (with 1,014,000 viewers on average, compared 721,000 for CNN, and 252,000 for MSNBC).⁷ And immediately after the war in Iraq, it appeared in May that the network was possibly pulling farther ahead, holding onto more of its wartime audience than CNN.

In the months since, however, Fox News's losses have actually accelerated, and its margin over CNN has narrowed slightly. Still, as of December 2003, Fox News has drawn better ratings than CNN in every month since January 2002 – 24 consecutive months as the cable news leader.

In 2003, the median monthly viewership of Fox News was 770,000 daytime viewers and 1.4 million in prime time, 52 and 62 percent more, respectively, than CNN. In December 2003, Fox News averaged 1.4 million viewers in prime time, and 961,000 in daytime, both roughly 60 percent more than CNN. In conventional ratings terms, Fox News is well ahead.

Two elements, however, need to be understood about the Nielsen data. First, Nielsen measures only the viewers in private homes. Thus, there are not reliable data on how many viewers tune in at work, the gym, airports or elsewhere. (About 18 million travelers are exposed to the CNN Airport Network each month, according to CNN).⁸

Second, Nielsen data measure only how many people are viewing a given program at a given time. This is what matters to advertisers. But the numbers do not tell us whether the people who are watching a given program at one time are different people or the same as are watching another program later on.

In other words, the ratings data do not tell us how many people watch cable news overall. There is no number here that would be analogous to newspaper readership or circulation, or the number of “unique visitors” to a Web site.

This may have worked fine for describing the appeal of broadcast television, where every show was a distinct product. But it misses something in capturing the scope of a medium like cable television, where much of the broadcast day is indistinct from another part.

As a result, CNN executives argue, the ratings numbers significantly undercount CNN’s real total viewership and may overstate Fox News’ appeal.

CNN executives argue that their internal research suggests that through the course of the day, more different people check in on their network for news updates. Fox News, they contend, has a smaller overall audience, but Fox News’s audience is more loyal and watches for longer periods of time, thus giving Fox a slightly bigger audience at any given moment.⁹

Is this just network PR spin?

Actually, there is some public research to suggest CNN may have something of a point.

The only way now to find out how many people overall are watching a given cable station, or even cable news generally, is through survey research rather than ratings. The survey work by the Pew Research Center has examined this over several years and finds that while Fox News is gaining, CNN actually is cited by more people as the source they turn to for most of their news.

In October 2003, in the latest data available, 17 percent of those surveyed cited Fox News as their primary news source, while 20 percent cited CNN. And in July, closer to the March/April war in Iraq, during which Fox News enjoyed a spike in ratings, CNN’s margin over Fox News was even bigger – five points rather than three (27 percent versus 22 percent).¹⁰

Thus, Fox News is widely understood in the general press as the cable news leader in viewers, and at any given moment, which is what advertisers care about, that seems true. In another sense, however, Fox News’ dominance is less clear. It is possible, but hard to pin down, that more Americans turn to CNN over time. But they are spread out over more of the broadcast day or even week.

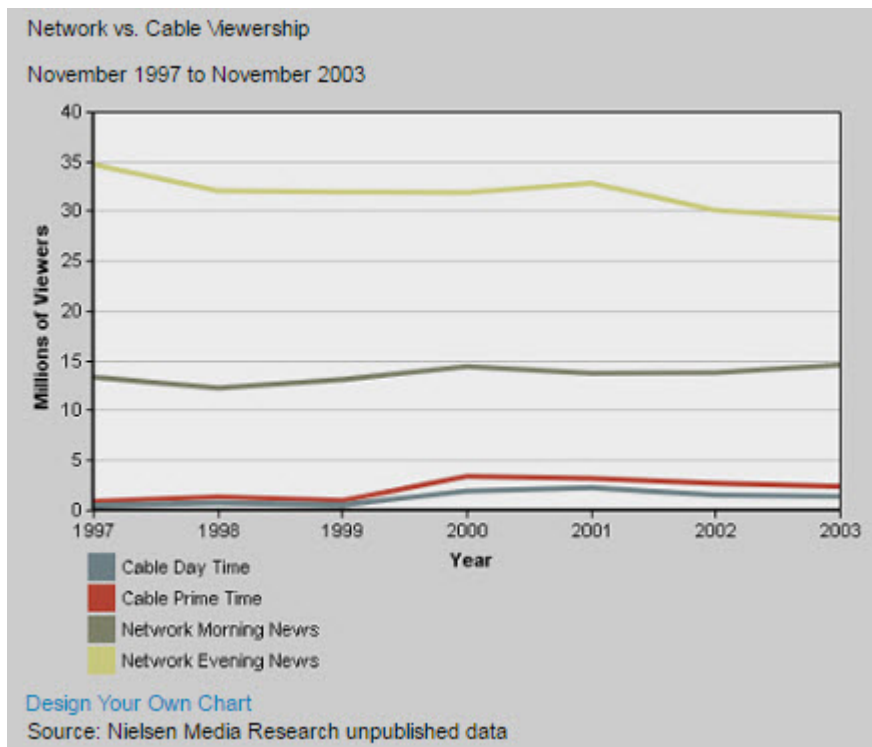
Looking at the survey data, MSNBC remains a distant third, as is the case with ratings. Just 6 percent of respondents cited MSNBC as their primary source of news in October (and 9 percent in July).¹¹

Cable Versus Network

The inevitable limitations of ratings raise another issue when it comes to trying to assess the reach of cable: How many people now turn in the course of a day or a week to cable instead of the older, traditional broadcast networks — ABC, CBS, and NBC?

For all that people like to note the rise in cable’s numbers, many critics are quick to point out that their ratings are nothing compared to those commanded by the old broadcasters. Indeed, if they aired on broadcast TV, even the cable network shows with the highest ratings — “The O’Reilly Factor” and “Larry King Live,” for instance — would be considered problems. Their 1 or 2 ratings points would probably get them canceled after a week.

Consider this: In June 2003, the CBS “Evening News” was watched by 6.5 million viewers, a recent low. Yet that was still three times higher than the average prime time viewership of all three cable news channels combined during the same week.¹²



If the three nightly network newscast audiences in November 2003 were combined, a total of 29.3 million viewers, it would be more than 12 times the prime time audience for cable, 2.4 million viewers, during the same period.

What is more, this is comparing network shows that are on at a time when Americans increasingly aren't even home – p.m. and even earlier in some West Coast areas -to a cable average that includes programs that are on during the heaviest television watching period, prime time. When looked at this way, the cable numbers seem even lower.

Here, again, however, the limitations of traditional ratings in trying to reflect the full impact of cable may present a problem.

The ratings numbers do capture a sense of how many people are watching the three nightly network newscasts during the dinner hour versus any given cable program. And they show a remarkable, even underestimated vigor for the old nightly newscasts. Not only are these programs substantively different than cable in the nature of their news (see **Network Content**), but they are also vastly more popular as individual programs.

Yet these simple ratings comparisons do not fully capture how many people turn to cable news versus network news generally today to get their information.

For that, survey research again may tell us more. And the survey work suggests that cable has become more important than traditional ratings reflect. Cable may have even surpassed network as a source for news and information.

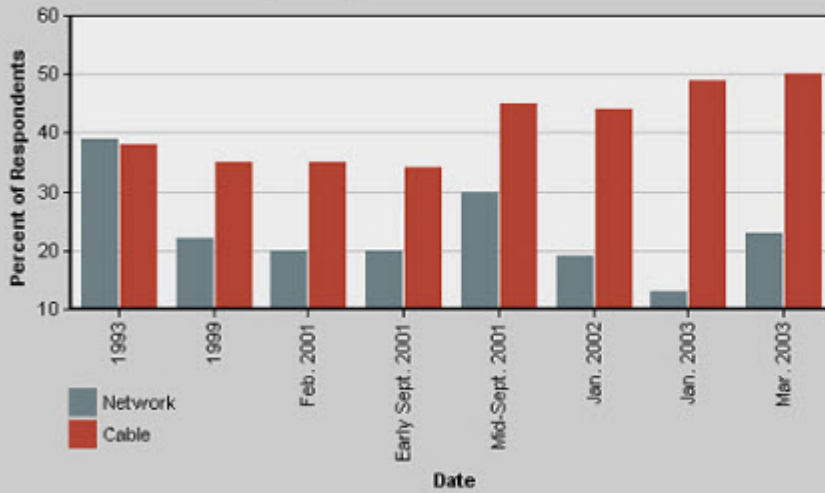
For example, in 2003, the household weekly average for time spent watching cable news was 3 hours and 6 minutes, significantly higher than the 2 hours and 19 minutes spent watching broadcast news (including network news magazine shows), according to an analysis by CNN of Nielsen data. This was an increase of 41 minutes a week for cable news in 2003 and a 2-minute drop for broadcast news. ¹³

For some time, the Pew Research Center surveys have asked people where they go for most of their national and international news. Today, more people cite cable than network, and have for some time.

In January 2003, for instance, a Pew survey asking people simply to identify whether their favored news source was cable, network or local found cable held a 36-point advantage over network (49 percent cable, 13 percent network). ¹⁴ Pew has asked that same question for 10 years, and has seen cable's advantage increasing since 2001, though the gap narrowed slightly during the Iraq war. ¹⁵

Where People Go for National/International News, Network vs. Cable

Do you get most of your news about national and international issues from network TV news, from local TV news, or from cable news networks such as CNN, MSNBC, and the Fox News Channel?



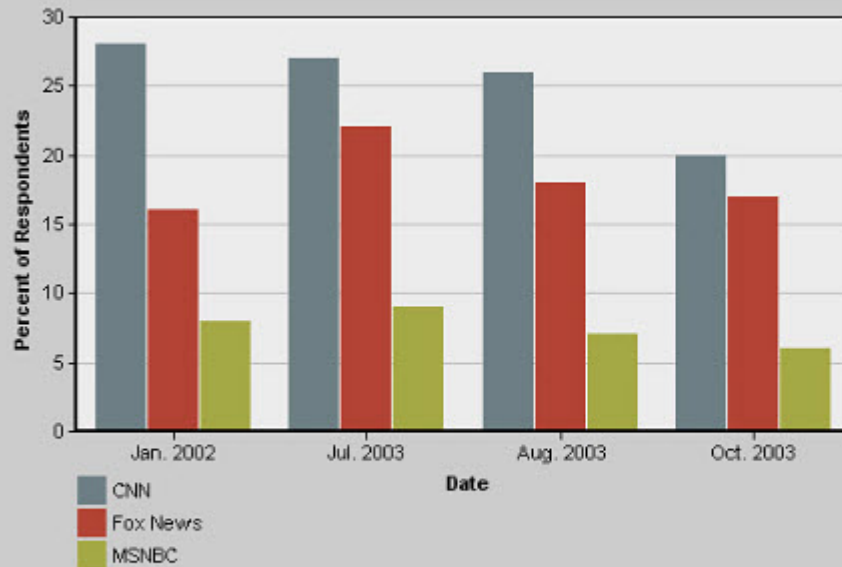
[Design Your Own Chart](#)

Source: Pew Research Center for the People and the Press, "Public Confidence in War Effort Falters," www.people-press.org

When people are asked to name a specific channel where they go for "most" of their national and international news, CNN ranks No. 1 and Fox News No. 2, both ahead of any of the three broadcast networks. 16

Where People Go for National/International News, Specific Channels

January 2002 – October 2003



[Design Your Own Chart](#)

Survey qu.: Do you get most of your news about national and international issues from (item)?

Source: Pew Research Center for the People and the Press, "President's Criticism of Media Resonates, But Iraq Unease Grows," www.people-press.org

These comparisons also, of course, reflect the vast differences in supply. Cable is on 24 hours a day. Network news is on, even if one were to include prime time magazines, at most three or four hours a day.

And, again, increasingly the nightly network newscasts are on at times when people are not home. People's commutes been getting longer, making it harder for them to be home when network newscasts are on, whether in the evening or morning. This is why in local news the early-morning programming, before 7 a.m., is the only growth area.

One has to ask about the level of commitment the networks really have to a signature evening newscast or to covering news in a systematic way. If one wanted to structurally limit a television program's chances of success, airing it at 6:30 p.m. or even 7 p.m. would be a fair way of doing it, and that is when the network news is on. In many places in the West, moreover, such as San Francisco, the evening newscasts go on in an even less enviable time slot, as early, for some networks, as 5:30 p.m., when the number of television sets in use is much smaller.

Whatever the reasons, the disadvantages tonightly news have added up, and the audience is clearly shrinking. From 1993 to 2002, the percentage of Americans in the Pew surveys who said they regularly got their news from the networks steadily declined, from 58 to just 32 percent. ¹⁷

Cable News' Expanding Reach

One other factor has hastened cable's growth, particularly Fox News's. Over the last five years, Fox News and MSNBC become available in more people's homes.

Shortly after their launches in 1996, Fox News was available in 21 million homes, and MSNBC in 33 million. CNN, meanwhile, was already available in 72 million homes. Now, the numbers are much closer, with CNN available in 86 million homes, Fox News in 80 million, and MSNBC in 76 million.

Now Fox News could have difficulty, however, trying to build more audience. There are 90 million cable homes and that number is not likely to increase very much. Thus, most increases in Fox News ratings would depend on people choosing its programming rather than suddenly having Fox News available to them for the first time. By the same token, this added availability, or "carriage," makes the lack of growth at MSNBC appear more pronounced. Even if only a steady but modest percentage of cable subscribers preferred MSNBC, it would have seen its ratings grow based on expanding the number of available households.

Demographics

There is another facet of cable news usage that bears noting. The average age of those who watch the cable news channels is older than for other cable programming. While these may be affluent elites watching the news, they are older elites. This may be a sign of danger ahead for cable news.

The median age for CNN viewers is 59.6; for Fox News it is 58.3, and for MSNBC it is 52.4. ¹⁸

This gives Fox News a slight advantage over CNN and has always been the key to MSNBC's appeal – it has the youngest cable audience.

The age of its viewers offers some advantages to cable over broadcast networks, though again, the limits of when broadcast news shows air is probably a key factor. In fall 2003, the median age for the three network evening news programs ranged from 59.5 for ABC to 60.3 for NBC to 61.2 for CBS, slightly older than cable.

The limits of who is home when the broadcast news programs are shown is probably a factor. While retirees may be home at 6:30 or 7 pm, working people are more likely to be still on the job or in transit. The fact that these demographic figures for cable are based only on home viewership, not in hotels, airports or offices, where again many workers are likely to be in the evening, may also skew those numbers older as well.

Footnotes

1. Caroline Wilbert, "Fox fattens lead on CNN in peak year for cable news," *Atlanta Journal-Constitution*, January 6, 2004, p. D1. MSNBC had an all-day viewing increase of 22 percent to 320,000 viewers and a prime time increase of 23 percent to 443,000 viewers.

2. The statistical methodologist Esther Thorson of the University of Missouri explains the choice of median rather than mean this way:

The median is a better indicator of central tendency than the mean when there are extremely high or extremely low observations in the distribution. These greatly influence the mean, but have little effect on the median. In other words, the median is the closest on the average to all of the scores in the distribution. Because there are some very high levels

of cable viewing during the war, these observations pull the mean away from the average viewing scores too much. For that reason, the median is the better indicator of typical viewing levels.

3. Only one month, March 1998, when the relationship between Bill Clinton and Monica Lewinsky was revealed, proved to be an exception.

4. The only exceptions were the Columbine shooting and the death of John F. Kennedy Jr. in the spring and summer of

5. Phil Kloer, "Slow news period causes CNN's ratings to drop," *Atlanta Journal-Constitution*, June 29, 2000, p. D3.

6. "Fox News Channel overtakes CNN in ratings for the first time," Associated Press, January 30, 2002.

7. "Ratings," *Cable World*, January 13, 2003.

8. "CNN Nuts and Bolts," available at <http://www.cnn.com/SPECIALS/2000/CNN20/story/nutsbolts/facts>. How many can actually be counted as "viewers" is subject to debate. Executives at CNBC, the financial network, say that their official numbers would be higher if workplace televisions were included; the other cable news networks would probably make the same argument. See David Bauder, "Bad business news boosts CNBC," Associated Press, July 4, 2002.

9. According to Paul Farhi, Nielsen data show that in a three-month period, the average Fox News viewer tunes in for 8.9 hours while the average CNN viewer will watch 4.9 hours. See Paul Farhi, "Everybody Wins," *American Journalism Review*, April 2003. Online: <http://www.ajr.org/Article.asp?id=2875>.

10. Pew Research Center for the People & The Press, "October 2003 News Interest Index," Final Topline, Question 9. Available at: <http://people-press.org/reports/print.php3?PageID=748>.

11. Pew Research Center for the People & The Press, "October 2003 News Interest Index," Final Topline, Question 9. Available at: <http://people-press.org/reports/print.php3?PageID=748>.

12. CBS "Evening News": 6.5 million; cable news prime time viewers: 1.88 million. See David Bauder, "CBS News hits ratings low," Associated Press, July 3, 2003, and "Ratings," *Cable World*, June 30, 2003.

13. Caroline Wilbert, "Fox fattens lead on CNN in peak year for cable news," *Atlanta Journal-Constitution*, January 6,

14. Pew Research Center, "January 2003 News Interest Index," January 8-12, 2003. Available at: <http://people-press.org/reports/print.php3?PageID=669>.

15. Pew Research Center, "January 2003 News Interest Index," January 8-12, 2003. Available at: <http://people-press.org/reports/print.php3?PageID=669>.

16. Pew Research Center for the People & The Press, "October 2003 News Interest Index," Final Topline, Question 9. Available at: <http://people-press.org/reports/print.php3?PageID=748>.

17. Pew Research Center, "Public's News Habits Little Changed by September 11," June 9, 2002, Question 20. Available <http://people-press.org/reports/print.php3?PageID=618>.

18. See Allison Romano, "Wish you were younger? So do many cable nets." *Broadcasting & Cable*, August 25, 2003.

19. "Ratings," *Cable World*, March 31, 2003.

20. CNN was watched by 3.4 million viewers on average, while Fox News was seen by 1.9 million and MSNBC by 1.2 million. These figures come from Kevin Downey, "Viewers, not \$s, drive cable news networks," *Media Life Magazine*, September 19, 2001. Available at: http://www.medialifemagazine.com/news2001/sep01/sep17/3_wed/news1wednesday.html.

21. Richard Huff, "Even minus Brown, CNN led cable ratings Sat.," *New York Daily News*, February 5, 2003.

22. Jesse Hamlin, "NBC declares victory in war's TV ratings battle," *San Francisco Chronicle*, March 22, 2003, p. W2.

23. Caroline Wilbert, "Saddam drama helps CNN, but Fox News carries day," *Atlanta Journal-Constitution*, December 17,

24. David Bauder, "For CNN, Fox's open-and-shuttle case of piracy," Associated Press, February 17, 2003.
25. Verne Gay, "High stakes in the war for cable news supremacy," *Cable World*, March 24, 2003.
26. Mercedes M. Cardona, "TV ad spending rebounds during week three of war," *Advertising Age*, April 23, 2003.
27. Kevin Downey, "Viewers, not \$\$, drive cable news networks," *Media Life Magazine*, September 19, 2001.

Cable Economics

Economics

While some ambiguity hovers over which cable news channel attracts more people, there is no question when it comes to which is winning the dollar war.

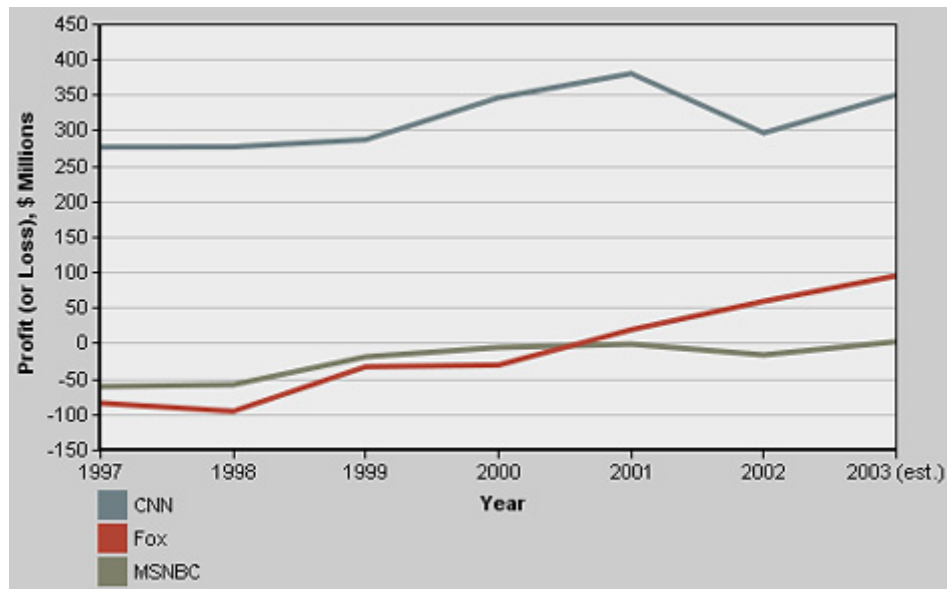
Here the leader is not Fox News but CNN.

CNN's operating profits are roughly five times those of Fox News, while MSNBC has barely broken even so far.

While Fox News has closed the gap, and the trends may become more worrisome to CNN with time, the distance between them remains sizable. Some narrowing might be expected, but CNN still has some advantages in its multiple channels to sell to advertisers.

Cable News Profitability

1997 to 2003



Design Your Own Chart

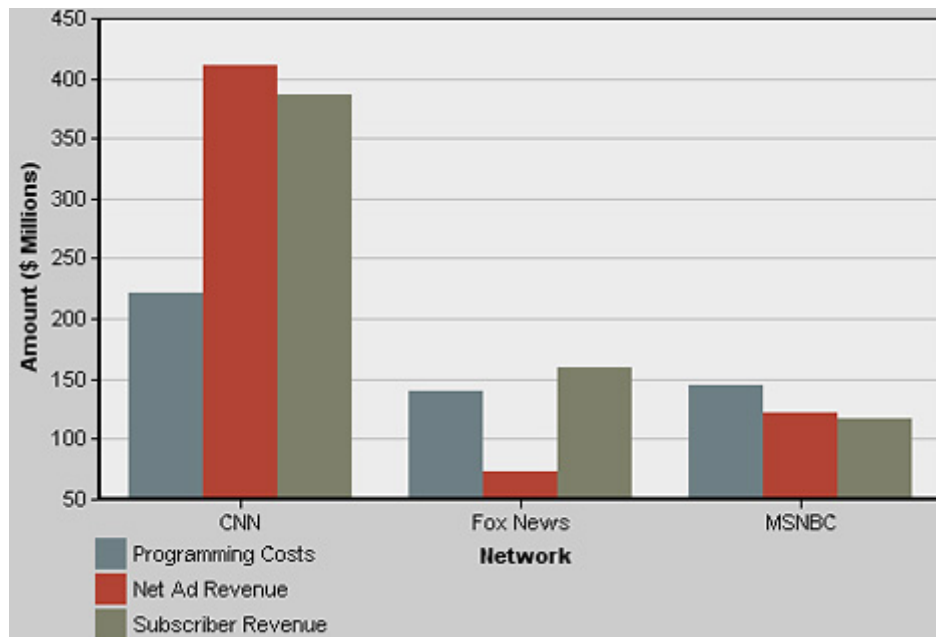
Source: Kagan World Media unpublished data, www.kagan.com

* CNN figures include Headline News

CNN's operating profits, according to data collected by Kagan World Media, a media market research company, rose from \$277 million in 1997 to \$297 million in 2002. Fox News went from operating at a loss of \$84 million to having a profit of \$60 million. MSNBC almost moved out of the red, from losing \$60 million in 1997 to losing just \$300,000 in 2001, before dropping back to a loss of \$15.5 million in 2002.

Kagan's estimates for 2003 suggest that Fox News has made further inroads: it was projected to increase its profits from \$60 million in 2002 to \$96 million in 2003, a 60 percent increase. CNN, however, after a drop in 2002, was projected to climb from \$297 million to \$351 million in profit in 2003, a 15 percent increase. MSNBC was projected to break into the black with an operating profit of \$3.1 million.

Cable News Revenue and Expenses, 2002



Design Your Own Chart

Source: Kagan World Media unpublished data, www.kagan.com

* CNN figures include Headline News, except subscriber revenue which is CNN only.

CNN

Why is CNN so much more robust financially when it is trailing Fox News in ratings?

Part of CNN's financial advantage is that it can offer advertisers package deals on its various channels. These figures describe only domestic revenues and profits for CNN and its sibling 24-hour general news network, Headline News. The two networks are often sold as a package deal to advertisers.

In addition to these, however, CNN also has a separate international arm, CNN International, which operates seven regional networks targeted towards viewers throughout the world (CNN Asia/Pacific and CNN Latin America, for example). CNN also operates a business news network, CNNfn. These networks bring in separate streams of revenue (as do other operations, such as CNN's airport news service and its Newsource operation, which supplies footage of national and international events to local television stations), but all rely on the same news gathering structure and offer advertisers more options.

Another CNN advantage has to do with the fact that it has been around longer and recovered most of its startup costs years before Fox News and MSNBC began. Outside accounts of CNN's history estimate that it first broke even around 1985, five years after its launch by Ted Turner. Thus it has an advantage of 10 years of profitability over its rivals. ¹

This particularly comes into play because of the subscription fee system in cable. Unlike the broadcast networks, cable channels acquire part of their revenue from subscribers. This is based on a subscriber fee negotiated between each cable channel and the cable providers. These fees are normally set up under long-term contracts of five to ten years. The most popular cable entertainment networks (such as Nickelodeon and TNT) charge roughly 50 cents to \$1 per subscriber per month. ² CNN's subscriber fee has remained stable, at around 33 to 37 cents, since 1997.

Fox News and MSNBC rates have been much lower, roughly 17 cents per subscriber for Fox News and 13 cents at MSNBC. Both of the newer cable networks have seen steady increases in their average fee per subscriber since they went on the air. This suggests new contracts negotiated with higher subscriber fees.

The multiyear nature of the subscriber fee system has insulated CNN to some degree but means that some of its financial advantage will diminish unless it can improve its ratings.

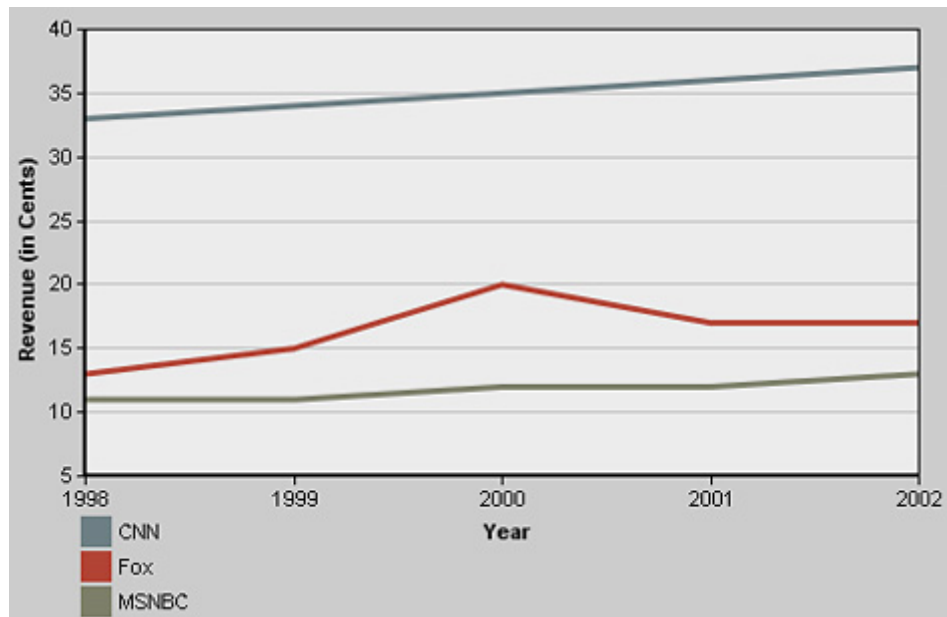
CNN is available in almost every cable household in the country (again there are approximately 90 million cable households in the United States, and CNN is available in 86 million). This means that soon CNN will no longer be able to sign on additional cable systems in order to increase its subscriber revenue. Instead, it will have to renegotiate contracts

along favorable terms to increase subscriber revenue and to get those higher per-subscriber fees CNN may have to show its desirability by scoring better ratings.

Fox News and MSNBC are also approaching the ceiling in subscriber reach, but if Fox News continues to beat CNN in the ratings, it will be in a much better position relative to the other networks when the time comes to renegotiate its contracts. CNN may very well see its subscriber revenue stagnate while Fox News manages to obtain higher fees.

Monthly Revenue per Subscriber

1998 to 2002



Design Your Own Chart

Source: Kagan World Media unpublished data, www.kagan.com

Fox News

When Rupert Murdoch launched Fox News in late 1996, as part of his strategy for an international news conglomerate, his News Corp. deployed a novel tactic to establish itself. Many cable channels began as initiatives of the cable systems themselves in order to provide programming that would entice viewers to start subscribing to cable. Other channels were begun to provide niche programming, such as Lifetime, now known as “Television for Women.” Fox News, which is not linked to any cable system and was attempting to crowd into a niche already occupied by CNN, took a different approach in order to gain distribution for its new 24-hour channel: When it was launched, Fox News decided to pay for its spot on the cable box by offering local cable systems a \$10 fee for every one of their subscribers. It was, according to *Multichannel News*, “an unprecedented move at the time.”³ Cable technology then could accommodate a much smaller number of channels than today. Other networks, such as Animal Planet and the Cartoon Network, adopted the same strategy of paying for their spot on the cable box.⁴

Fox News executives apparently gambled that if the channel proved successful, this so-called cash-for-carriage payment would pay off down the road, since Fox News is getting 13 cents per subscriber every month. One press account at the time of Fox News’ launch reported, “Murdoch says he doesn’t expect FNC to break even until the next century.”⁵

While Fox News is now making a profit, what about that \$10-per-subscriber investment over the long term? By now, at 13 cents a subscriber a month, Fox News has probably taken in almost \$6 per head in subscriber fees in return for that \$10 it paid out in the 1990s.

Fox News network executives suggest that shows like “The O’Reilly Factor” helped draw attention and increased awareness of Fox News to the point where subscribers began to demand that their cable systems provide it.⁶ Also, with the arrival of digital cable boxes, there are fewer bandwidth restrictions on the number of channels a cable system can offer, making it easier for Fox News to get placement on even more systems.

The path to profitability has also depended on keeping costs low. Fox News, basically, tries to produce a cable news channel with fewer reporters and bureaus than CNN does and to focus in depth on fewer stories. Its success is changing the nature of cable news, shifting it away from taped edited packages and toward a narrower menu of stories (see *News Investment*).

MSNBC

MSNBC, meanwhile, was created as part of a strategy devised under Andrew Lack, the former NBC News president, to amortize the costs and brand of NBC News across multiple platforms. The content and even much of the staff feeds directly off of NBC News, keeping costs at a minimum, and providing revenue for NBC News that might not otherwise exist. So with minimal added cost, NBC brings in additional revenue from MSNBC, CNBC and also the MSNBC Web site. In 1999, CNBC alone brought in revenues of nearly \$400 million and pretax profits of \$200 million. According to the journalist Marc Gunther, NBC's average cost per hour of news fell from \$250,000 in 1994 to just \$50,000 by 1998. ⁷

NBC sells itself to cable system operators as a package of MSNBC, CNBC and an agreement to carry NBC's broadcast stations. Part of the appeal for cable systems is NBC's strategy of spreading Olympics coverage among all three channels, although some smaller cable operators have complained that NBC's practices, which obligate them to pay fees for three networks at once, are unfair. ⁸

Revenue Streams

Cable channels sometimes complain that Nielsen's methods for measuring audience undercount the true audience. The reason for their irritation is that advertising rates are based on those ratings. Because their Nielsen audience ratings are so much smaller than the broadcast networks', cable channels are unable to command anywhere near the ad prices of the broadcaster.

On the other hand, cable, unlike broadcast, has two revenue streams, not one. In addition to advertising, cable operators and cable channels get revenue from subscriber fees.

The question is what happens if the cable universe continues to rise, while broadcasting continues to suffer. Should broadcast networks be paid subscriber fees by cable companies the way cable channels are? Isn't the ability to get the old networks in a clear signal a major attraction for viewers to buy cable? And if the networks were to rearrange their economic structure, would they invest any new revenue in news gathering? Or, because of audience trends, are they moving toward a point where they might get out of the business of providing a signature nightly newscast and sustaining a general news division and abdicate the role of basic news gathering to cable? If so, the content studies suggest the effect on television news quality might be devastating.

Footnotes

1. See "Cable News Network," entry, *The Encyclopedia of Television*. Available at: <http://www.museum.tv/archives/etv/C/htmlC/cablenewsne/cablenewsne.htm>.

2. See Richard K. Miller & Associates, *The 2002 Entertainment, Media and Advertising Market Research Handbook*, p. 172.

3. Steve Donohue, "Fox News raced to 80M subs," *Multichannel News*, June 3, 2002.

4. Robin Dougherty, "Animal Magnetism," *Salon*, March 25, 1997. Available at: <http://www.salon.com/march97/media/media970325.html>.

5. Marcus Errico, "Fox News Channel goes live Monday," *E! Online*, October 6, 1996. Available at: <http://www.eonline.com/News/Items/0,1,237,00.html>.

6. Steve Donohue, "Fox News raced to 80M subs," *Multichannel News*, June 3, 2002, p. 8.

7. Marc Gunther, "The transformation of network news," *Nieman Reports*, Summer 1999, p. 28 and p. 29.

8. See, for example, "American Cable Association Files FCC Petition for Inquiry Into Retransmission Consent Practices," press release, American Cable Association, October 1, 2002. Available at: <http://www.americancable.org/press18.htm>.

Ownership

Ownership

The story of cable news ownership is clear: It is the province now of big media, and that is a far cry from where it started and the days when network critics derided Ted Turner as the Mouth of the South and CNN as Chicken Noodle News.

But the aspirations of cable may actually have been more serious then. Its profile is far more corporate – and financial – now.

All three cable news channels today are owned in whole or in part by three big media companies – Time Warner, News Corp. and G.E./NBC (in part).

CNN

Time Warner is the world's largest media company, and CNN, while a major player journalistically, is a relatively insignificant part of the company financially. CNN's \$798 million in 2002 revenue represents 2 percent of Time Warner's overall revenue that year. ¹

Time Warner purchased the company when it bought Turner Broadcasting in 1996, making CNN part of the Time Inc. family. The company attempted a variety of synergistic opportunities between the magazines and the cable network, but for the most part found them financially and journalistically unsatisfying. ² After the merger between Time Warner and AOL, a battle emerged inside the new company over just what synergy should mean. How much did it involve active merging of content? How much was it a matter of selling advertising across platforms? How much did it involve using some platforms, such as CNN, to promote other parts of the company? Or was AOL-Time Warner better off as a confederation of parts that operated largely independently, looking mostly for economies of scale.

To some the merger of CNN and Time Inc. was empirical proof that synergy, as opposed to simple economies of scale in business, would not work. For others, it was not a repudiation of synergy, but a sign that AOL-Time Warner did not understand how the concept really worked. The first visible effort was the "Newsstand" magazine show, which suffered from the ill-fated opening show fiasco over the "Tailwind" investigation. Time Warner saw synergy as a poisonous viper after that.

The AOL-Time Warner merger, which came later, may have suffered from a lack of understanding of two different corporate cultures and the inflated value of AOL, and perhaps, as was the case in the CNN-Time Warner merger, different definitions of what synergy should mean. Similar questions emerged. Did it mean operating different units separately but looking for economies of scale? Or did it mean using media platforms to market other AOL products? Or did it mean looking for ways to sell advertising across multiple platforms. Or did it mean looking for special areas where cross platform cooperation was possible in content and marketing? Whether these failures suggest a lack of corporate understanding and planning, or a sign that synergy at least in media may be overblown, and should be more limited, is open to debate. A full treatment of this issue is beyond the scope of this report, but the issues deserve mention.

Fox News

Fox News's founder, Rupert Murdoch, likes to contend that his corporation, News Corp., is not really a major media company. ³ In one sense, his statement appears valid. In terms of total revenue, News Corp.'s was a little less than half of Time Warner's in 2002 and one-eighth of all General Electric's revenue.

Yet looked at more closely, Murdoch's contention is hard to accept. In terms of media revenue alone, NBC gets only a little bit more than what Fox News does (\$7.4 vs. \$6.5 billion). Time Warner is bigger than both (with \$29 billion in media revenue), yet that definition of media includes a lot of entertainment media that are apples and oranges.

If one looks at the world of journalism, News Corp. is perhaps more a behemoth than its cable rivals. Where G.E. has a TV network and Time Warner magazines, cable and online, Murdoch, in magazines like *The Weekly Standard*, newspapers as diverse as *The New York Post* and *The Times of London*, and television outlets as broadly placed as Sky News overseas and Fox News here, has influence that reaches much farther into the halls of government and opinion making in many more countries and has influenced the trend toward tabloidization in media globally more than anyone else.

The sibling Fox broadcast network and Fox News on cable are not nearly as integrated as NBC and MSNBC, although some Fox News programs occasionally air on the broadcast stations. Fox executives have expressed interest in extending the Fox News brand into such new areas as business or entertainment news. ⁴ This would allow Fox News to copy the CNN and NBC models of spreading newsgathering costs across multiple television networks.

MSNBC

MSNBC has two owners. General Electric, through its NBC subsidiary, owns half of MSNBC. Microsoft owns the other half. The network is managed by people who report to executives at NBC.

In 2001 Microsoft's CEO, Steve Ballmer, told Reuters that if he had to do it over again he would not have invested in MSNBC. ⁵ The terms of the deal were never fully disclosed, but it is generally believed to be a binding arrangement that will be in place for some years to come. In other words, although Microsoft may regret its investment in MSNBC, it is probably unable to pull out of the deal without significant financial penalties.

While it may not have turned into a great gain for Microsoft, the deal has been a boon to the financial health and visibility of NBC. For example, NBC's news gathering can be distributed through multiple outlets and a 1998 article said that some on-air correspondents were feeling overworked: "They are asked to file for MSNBC regularly, for CNBC sometimes, and for MSNBC.com, the Web site the network operates jointly with Microsoft." ⁶

Indeed, having a cable sibling may now be a key to success in television news. Unfortunately for ABC and CBS, however, the window may have closed. They have likely missed their chance at an independent cable operation. CBS's 1997 attempt, "CBS Eye on People," flopped and was sold to the Discovery Channel in 1999. ABC had plans to build a cable network when it was the dominant No. 1 network in news. But after Disney bought the network, it pulled the plug on the idea. Since then, ABC News and CNN had talks about some kind of joint venture or even merger, most recently in the fall of 2002, according to published reports. But the idea seems for now to have fallen apart.

The landscape for cable could change perhaps if the London-based BBC moves forward with plans it has reportedly considered to move seriously into the American market with its 24-hour cable channel, BBC World. Currently, it produces a U.S.-focused program called "World Update" which is aired on PBS stations throughout the country. Meanwhile, former Vice President Al Gore has been involved in negotiations to purchase a Canadian all-news network and possibly adapt it for American viewers. But for now, at least, the cable world is the province of three major media players.

Footnotes

1. Kagan World Media unpublished data, <http://www.kagan.com> (CNN revenue), AdAge, "100 Leading Media Companies, 2003 edition" (total revenue), available at: <http://www.adage.com>.

2. See, for example, Matt Kempner, "Timing flawed on AOL spinoffs," *Atlanta Journal-Constitution*, May 26, 2002, p. 1E.

3. Testifying before a House of Representatives committee regarding News Corp.'s plan to acquire the satellite service DirectTV, Murdoch said, "In any event, neither News Corp. nor Hughes is among the top five media companies, by expenditure, in the United States. As you can see in the chart attached to my testimony, News Corp. is sixth with 2.8 percent of total industry expenditures, and Hughes [DirectTV's parent company] is eighth with 2.2 percent. Even combining the expenditures of News Corp. and Hughes would place the company fifth in expenditures behind AOL Time Warner with 10.1 percent, Viacom with 6.4 percent, Comcast with 6.3 percent, and Sony at 5.3 percent." Testimony of Rupert Murdoch before the Committee on the Judiciary, May 8, 2003, available at http://www.newscorp.com/news/Murdoch_testimony_5_8_03.pdf.

4. Michael Starr, "Two new Fox channels," *New York Post*, October 2, 2003.

5. Stefanie Olsen, "Ballmer: Would not launch MSNBC again," *CNET News*, June 7, 2001. Available at: <http://news.com.com/2100-1023-268073.html>.

6. Lawrie Mifflin, "Big 3 networks forced to revise news-gathering methods," *New York Times*, October 12, 1998, p. C1.

Cable News Investment

News Investment

While there are few hard facts available on the newsroom investment in cable, the trend is clear. The success of Fox News has transformed the model of how cable is put together and has transformed the kind of news people receive from cable news in ways that most viewers only sense but may not quite put their finger on.

Fox News has transformed cable from a medium that tries to cover the world with a broad network of bureaus and correspondents to a medium that relies on a handful of hosts and just a few correspondents who are doing live talk rather than taped and edited pieces. In a recent interview, Fox News chairman Roger Ailes acknowledged that Fox News could do more enterprise work: “We keep looking at how to do more long-form [journalism], which is very expensive.”¹

The impetus behind the Fox-inspired transformation has been the desire to reduce costs.

When AOL purchased Time Warner in 2001, one early move of the new company’s executives, according to sources who spoke to the authors of this study on background, was to institute a cost per minute analysis of the network. How much did it cost Fox News to produce a minute of its news versus CNN to produce a minute of its programming?

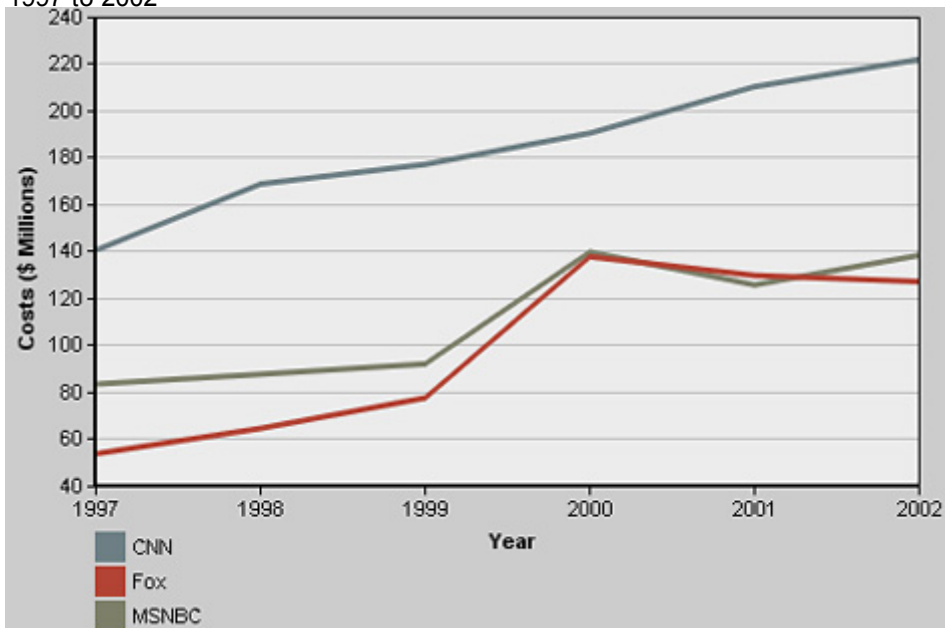
The result of the AOL analysis was this: CNN was spending too much. It needed to rid itself of people and bureaus – as it turned out including many of its more senior journalists. The network announced a plan to eliminate 400 jobs, or 10 percent of its workforce, only two weeks after the AOL-Time Warner merger became official.²

In quick succession, some of CNN’s most familiar on-camera faces were gone, as well as many behind-the-scenes staff.³ Over the next year or so, a good deal more familiar names decided to take buyouts or not renegotiate their contracts, including CNN’s Washington bureau chief, Frank Sesno; its Supreme Court correspondent and former senior White House correspondent, Charles Bierbauer; a Washington correspondent, Brooks Jackson, and a leading business correspondent, Allan Dodds Frank.

Even with the cuts, by June 2000, CNN’s staff was still four times that of Fox News – 4,000 at CNN, 1,000 at Fox News and 500 at MSNBC, according to an article in *American Journalism Review*.⁴ According to a *New Yorker* piece on Fox News, Fox News had roughly 1,250 employees when the Iraq war began in 2003, including both full-time staff and freelancers, while CNN had about 4,000. Fox News also has fewer bureaus, 17, compared to CNN’s 42.⁵ MSNBC has 11 bureaus, all of them shared with NBC.

Cable News Programming Costs

1997 to 2002



Design Your Own Chart

Source: Kagan World Media unpublished data, www.kagan.com

* CNN figures include Headline News

The three channels' programming costs reflect their histories. In 1997, for instance, CNN's budget was as much as Fox News and MSNBC combined. Today CNN's budget is 83 percent of Fox News's and MSNBC's combined.

Fox News initially ran on a shoestring, with a budget in 1997 that was \$30 million less than MSNBC's. As it gained viewers it has ramped up its size. Now Fox News and MSNBC each spend about \$130 million to \$140 million a year on programming costs. CNN, by contrast, spends \$222 million.

The cuts also hit what was once a bastion of CNN, its vast foreign bureau system. CNN had been expanding its foreign bureaus every year since its inception in 1980, but it has now cut back there as well, closing four of them. Nevertheless, it still maintains four times as many as Fox News, 28 versus 6. ⁶

Fox News is not at all shy about its lack of spending on news. "We don't put more crews out than we need," Ailes said in an interview with *Broadcasting & Cable*. "We try not to spend money we don't have. We just pulled back on a story in the Philippines that, when you looked at it, just wasn't cost-effective.... It may become critical, and I may end up having to spend a lot of money to cover it, but it's not there yet." ⁷

The result of all this, however, is a sweeping and only vaguely understood transformation of cable along the Fox News model away from packages and toward live, away from dozens of stories a day to a handful. The model of cable news, in some ways, is more today like local news than it is like network. (See Content Analysis)

There was a time when cable was aiming for something quite different. MSNBC, for example, tried seven years ago to build a high-minded, hour-long program in prime time around the anchor Brian Williams that had echoes of PBS's "NewsHour," only more modern. That experiment ended abruptly, however, when the network grew impatient with slow ratings growth, particularly with programs that were then more popular such as "Geraldo Live" on CNBC, and saw quick ratings spikes in wall-to-wall coverage of tabloid stories like the death of Princess Diana. In the late 1990s, before the AOL merger, CNN tried to build magazine programs in prime time. They were built as concept shows on the model of broadcast network prime time magazine shows, particularly the "appointment-style" magazines of the 1980s, like "20-20" and "Prime Time Live," and were designed to take advantage of supposed synergy between CNN and Time Inc. magazines. Both network efforts foundered and have given way to anchor-centered talk shows, more on the order of the success of Fox News's talk radio-style television programs.

Footnotes

1. "Roger's balancing act," *Broadcasting & Cable*, October 27, 2003, p. 28.
2. "CNN downsizing," *The NewsHour with Jim Lehrer*, January 29, 2001. The FCC had approved the AOL-Time Warner merger on January 12, 2001. Available at: http://www.pbs.org/newshour/bb/media/jan-june01/cnn_1-29.html.
3. See Phyllis Furman, "CNN sacks big names," *New York Daily News*, January 3, 2003. Available at: <http://www.nydailynews.com/01-03-2003/business/story/48274p-45419c.html>.
4. Kelly Heyboer, "Cable clash," *American Journalism Review*, June 2000. Available at: <http://www.ajr.org/Article.asp?id=410>.
5. Ken Auletta, "Vox Fox," *The New Yorker*, May 26, 2003. Available at: <http://www.kenauletta.com/voxfox.html>.
6. Lucinda Fleeson, "Bureau of missing bureaus," *American Journalism Review*, October/November 2003. Available at: <http://www.ajr.org/Article.asp?id=3409>.
7. "Roger's balancing act," *Broadcasting & Cable*, October 27, 2003.

Public Attitudes

Public Attitudes

More people are watching cable these days, but how do they rate it?

According to Pew Research data, the signs suggest a positive future for cable news. In general, people tend to think of cable news more highly than they do other forms of television.

When asked in early 2002 “Who has been doing the best job of covering news lately,” 38 percent of respondents said cable, more than twice that of network (16 percent) and nearly three times that of local television (13 percent). That number is also almost four times that of newspapers (10 percent).

Cable is the only medium that saw this confidence index grow in recent years, rising from 31 percent in 1999. Network news, by contrast, declined from 21 percent in 1999 and a full 50 percent in 1996. ¹

Looking at the particular cable channels, CNN again stands out in the surveys. The Pew Research Center, for instance, asks people to rate each network on a scale of how “believable” they are. Roughly a third (32 percent) of those surveyed gave CNN the highest possible ranking for believability in May of 2002, 13 percentage points higher than Fox News (at 19 percent), and 11 points higher than MSNBC (at 21 percent). ²

CNN’s believability score has dropped. That 32 percent is less than the 37 percent who considered the network highly reliable in 1998. Still, it enjoys an advantage over its rivals, which may explain why surveys suggest that somewhat more people sample CNN than its rivals, despite its lower ratings program by program.

Some might suggest that this believability gap is simply due to the fact more people recognize the CNN name as a more established source of news. If that were the case, one might think the broadcast networks, which are much older, should score even higher. Not so. All three broadcast networks scored lower than CNN, receiving the highest rating from about 23 percent of respondents.

Footnotes

1. Pew Research Center, “January 2002 News Interest Index,” Final Topline, Question 9. While confidence in online sources also grew slightly (from 3 to 5 percent), the difference is too small to be sure this represents an actual shift in public attitudes.

2. Pew Research Center, “News media’s improved image proves short lived,” 2002 Believability Survey, Final Topline, Question 9. (Released August 2002; poll conducted May 2002.)

Cable Conclusion

Conclusion

Where is cable headed? Will it, like national broadcast news, become a universe of three networks largely indistinguishable in style and ethos? Or will some other structure emerge?

The old broadcast model seems fairly unlikely, given the direction in which Fox News has moved.

In the future, it may be that each cable channel will try to lay claim to a particular audience.

Some critics, such as James Fallows writing in the *Atlantic Monthly*, have suggested that this niche targeting will be ideological, with Fox News getting conservative viewers and CNN and MSNBC having to decide which would go liberal and which might choose another road.

But a closer look suggests that the targeting may be more subtle than that, and much more within the traditional norms of more modern, and less ideological, journalism.

Fox News may boast the largest numbers, at least in terms of traditional ratings, particularly with a prime time lineup that, like "The O'Reilly Factor," is heavily styled toward talk radio on television. That audience may be in some ways more conservative, but in many other ways it may just be more populist. And the network will not abandon its marketing claim to fairness.

CNN may try to stake out the position that it is the choice of upscale news viewers who are uncomfortable with the angry, disenfranchised talk radio tone of Fox News, particularly in the evening. While the numbers may not be reflected in the ratings, CNN will stress its audience of business travelers in hotels and airports and even those in government capitals and newsrooms, where opinion shaping supposedly occurs.

MSNBC could try to position itself as the choice for younger viewers.

Indeed, some signs of these trends emerged in the months following the war in Iraq. With Fox News pulling ahead, it has been able to turn its larger audience into higher prices for its commercials. One report suggested that in the 2003 "upfront," the yearly conference where channels sell their available commercial time to advertisers, Fox News may have gotten more ad revenue than CNN for the first time. CNN disputes that contention. ¹

CNN, meanwhile, has shifted toward arguing that its value lies in presenting higher-quality journalism. One executive used a watchmaking analogy in a July press conference, declaring, "I don't think Rolex cares how many watches Timex sells... because it's a quality product." ² At the same time, CNN began airing a television campaign positioning itself as the "most trusted" news source while noting in trade publication advertisements that surveys of corporate managers and high-income consumers have found that CNN is one of their most popular news sources. ³

And though MSNBC is trailing in the ratings and has had difficulty establishing a firm prime time schedule, the silver lining for the channel is that its average viewer is years younger than viewers of either Fox News or CNN, which enhances the channel's appeal to advertisers.

For this shaking out to happen more clearly, however, the two more uncertain of the cable networks, CNN and MSNBC, would have to embark on programming that is more clearly committed to a strategy. Their recent history would suggest something more tentative and not single-minded.

MSNBC, for instance, at one point toyed with being a liberal alternative to Fox News when it hired Phil Donahue. But when Donahue's numbers were below the celebrity-oriented programming of Connie Chung, his prime time rival on CNN, MSNBC surrendered and hired Michael Savage, a conservative radio talk show host, and Joe Scarborough, a former Republican Congressman, to replace him.

Donahue's ratings are actually higher than those of the hosts who replaced him. But Donahue may not have fit with the younger demographic that MSNBC once imagined it could attract during the day, or that it likes to trumpet as a core of its Web audience at MSNBC.com.

CNN, meanwhile, has been all over the place since the Time Warner merger with AOL, engaging in experimentation on the air and seemingly wanting to please many audiences. The shift in gears, for instance, between the celebrity,

infotainment style of Connie Chung's now-canceled program and the more contemplative style of Aaron Brown's was quite a contrast.

Most likely, any niche targeting will require these networks to do two things they heretofore have found difficult.

First, they will have to decide on a complete strategy and pursue it long and seriously enough to find out if it can be successful.

Second, they will have to resist the temptation to assimilate qualities that work for Fox News's audience but would undermine their own strategy.

For MSNBC, that might mean really trying to pursue a younger audience by changing the tone, programming and substance of the network. For CNN, that might mean really going upscale by attempting more serious, in-depth reporting and story selection. Nothing in their records to date suggests they are ready for that to happen.

For CNN, they might even be challenged in their goal, if the BBC becomes more serious about launching an American service and gets enough clearances on cable channels to fill the more serious niche for news.

Footnotes

1. See Phyllis Furman, "CNN in big ad shakeout," *New York Daily News*, June 25, 2003. Available at: <http://www.nydailynews.com/business/v-pfriendly/story/95241p-86328c.html>.

2. See David Bianculli, "CNN exec knocks Fox News," *New York Daily News*, July 11, 2003. Available at: <http://www.nydailynews.com/entertainment/v-pfriendly/story/99688p-90188c.html>.

3. The message to consumers, in other words, focuses on getting upscale viewers (who, according to this philosophy, are more concerned about credibility than downscale viewers) to choose CNN over its rivals. The message to advertisers is to choose CNN over its rivals because of its relatively wealthier audience. For example, see Cable TV Advertising Bureau (a trade group focused on advertisers and ad buyers), "CNN Profile," which gave as one of the "Top Reasons to Advertise on CNN" the fact that it is "The #1 cable choice for reaching affluent American consumers for the sixth year in a row." Available at: <http://www.cabletvadbureau.com/02Profiles/CNNProf.htm>.

Local TV – Intro

Intro

By the Project for Excellence in Journalism

In nearly every aspect of local television – from viewership to economics to ownership structure – there are mixed signals of health and challenge. The next few years may determine whether the industry ultimately heads up or down. But at least one survey shows more people who work in local television news are pessimistic than optimistic about the industry's future.

Viewership of local news has begun to decline, much as it did years earlier in network news. Since 1997, the share of available viewers commanded by local early evening newscasts around the country has dropped 18 percent. The share commanded by late news, which is broadcast after prime time is over, has dropped 16 percent. ¹

Weather in most markets is the primary reason to tune in, and it is becoming more available from cable and the Web. The decline in viewership, in turn, is furthering straining the flow of revenue. To pick up the slack, newsrooms are being asked to do more with less, expanding the number of hours of news they produce, often with the same or even lower budgets. According to one survey, the average workload demanded of reporters increased from 1.5 stories a day in 1998 to 1.8 in 2002, an increase of 20 percent. ²

While some of the criticisms of local news are overblown – crime dominates but it is not all-crime-all-the-time nor is it all homogenized news from nowhere – content studies suggest there are some serious shortcomings in what local news provides. Among them, according to one body of data, 60 percent of stories that involve disputes mostly present only one side of the story.

Commercial and academic surveys suggest at least a portion of the viewers who have stopped watching local television news have done so because they find it repetitive, formulaic, sensationalized or insipid. Brand loyalty is weakening and more viewers, research suggests, are likely to sample stations and churn through them. ³ Other surveys have found that 30 percent of the public is generally convinced that what they see on local television news is improperly influenced by powerful outsiders like advertisers and the political elite. ⁴

While technology advances are opening up new possibilities for producing the news, the cost of these advances is also a burden. Stations have to convert to digital technology and build Web sites, and much of that investment is coming at the expense of expanding newsrooms.

These are all the challenges, but there are also numerous reasons for local news professionals to be confident. The decline in viewership is not as steep as in network news. The audience for local television news is still relatively large. Local news remains an enormously profitable business, still able to draw big audiences and still able to amass huge advertising revenues. ⁵

It is still a healthier business than most and is considered, at least for now, much better off than network news. This is one of the major motives behind big networks' current push for deregulation. They want the ability to own more local stations.

Advertisers still rely on local television and the authority that the public ascribes to it to sell their products. Local advertisers still often demand that their commercials air during news programs and political campaigns still work to ensure that their ads appear during or around newscasts.

These changes do not seem to have had much effect on how people perceive local television news. The public trusts the local news, although it is ambivalent about certain practices, and relies on it for information. In a 2002 survey, 65% rated local TV news a 3 or a 4 on a four-point scale of believability, about the same as network news and cable, and ahead of newspapers. ⁶ Local television stations also engage in a number of community service activities that enhance their profile and their reputation, and provide commercial time free of charge for charitable organizations. On-air reporters often participate in various volunteer initiatives and serve as de facto "ambassadors" for their stations. News, weather and sports anchors remain, in many ways, the public faces of their community.

The question for the future of local television news is which way it turns. The biggest threat it faces now is the paradox of an undernourished product that is in oversupply. The market is saturated with news shows. In trying to differentiate one product from another, stations have tended to emphasize branding over content.

The issue is whether the industry, before it reaches the dangerous level of audience decline that has befallen network news, decides to invest in its product to reach out to new audiences, or decides it is a mature industry that should focus on efficiency and profit instead.

What's the Difference Between Local and Network Television?

Local television became prevalent in the late 1940s and early 50s. Originally, there were only a few stations in large cities that offered a few local shows mixed in with network programming provided by broadcasting companies based in New York. Over time, the relationship was formalized into a system of O&O and affiliate stations. O&O stations are those owned and operated by networks, while affiliate stations are owned by non-network companies but have a contractual agreement to air the programming of a network.

The country is divided into 210 television markets and a network-affiliate contract basically assumes that an affiliate station has the sole authority to broadcast that network's program within the bounds of its particular market. ⁷ Broadly speaking, the networks own stations only in the biggest markets, and they rely on affiliates to ensure that their programs are seen in the parts of the country where they do not own stations. ⁸

There are now six English-language broadcast networks, which can be put in three groups: ABC, CBS and NBC, the longest-established; UPN and WB, the newest, and Fox, which was established before UPN and WB but after the Big Three, and shares aspects of each group. In particular, when it comes to news, affiliates of the Big Three are the most likely to have long-established newsrooms that air multiple newscasts, while UPN and WB stations are least likely to have newsrooms (except in the biggest markets), though they may occasionally air newscasts provided by a station under common ownership affiliated with one of the Big Three networks. Fox stations generally have newsrooms but air less news than Big Three affiliates.

The contracts in most cases require that the networks pay the stations compensation for airing their programs. In recent years, however, the networks have done a number of things to try to end this arrangement, such as demanding that affiliates contribute to the cost of paying the multi-million-dollar contracts to broadcast sports events and reducing or eliminating compensation altogether.

Given that there are few viable alternative strategies for affiliate stations to program their entire day without the network (especially with the availability of cable and the high cost of syndicated shows), the affiliates have generally been forced to accept whatever terms the networks are willing to offer. (There have been a few notable exceptions: KRON-TV in San Francisco, the market's longtime NBC affiliate, went independent when a San Jose station offered to pay \$25 million a year for 10 years in return for the NBC contract; KTVK-TV in Phoenix, a former ABC station, became independent in 1995 after a series of affiliation changes in the 1990s left it without a network; and WJXT-TV in Jacksonville, Fla., became independent in 2002 after CBS and Post-Newsweek were unable to agree on a new affiliation contract.)

Many companies that own network affiliates fear that the FCC's decision to allow higher ownership limits may increase the networks' leverage in negotiating compensation contracts. As of January 2004, negotiators from the White House and Congress had modified the FCC's initial proposal to allow Viacom and Fox—the two largest companies—to keep the stations they own but expand no further. The other networks, ABC and NBC, still have room to add stations regardless of the FCC's rules.

On the other hand, the networks resent the fact that they are paying affiliates 4 percent (in big markets) to 20 percent (in smaller ones) of a station's total revenue, while the networks alone shoulder the costs of developing programming. ⁹ What is not in dispute is that local stations give the networks a presence in the community that would be almost impossible to recreate from a New York or Los Angeles headquarters.

Footnotes

1. These statistics are based on PEJ analysis of ratings data supplied by BIA Financial Network for 529 local television stations staffed with news directors and affiliated with ABC, CBS or NBC. Stations affiliated with other networks were excluded because they either do not air news or air news in nontraditional timeslots.

2. See Marya Jones, "Does quality cost?" *Columbia Journalism Review*, January/February 1999 (<http://www.journalism.org/resources/research/reports/localTV/1998/cost.asp>), and Deborah Potter, "Pessimism rules in TV newsrooms," *Columbia Journalism Review*, November/December 2002 (<http://www.journalism.org/resources/research/reports/localTV/2002/pessimism.asp>).

3. See Deborah Potter and Walter Gantz, "Bringing viewers back to local TV: What could reverse the ratings slide?" NewsLab.org. (<http://www.newslab.org/research/bringback.htm>), and Insite Research, "Television Audience Survey: Local Television News," October 1999, discussed more fully in the section on Audience.
4. Radio-Television News Directors Foundation, "2003 Local Television News Study of News Directors and the American Public." General Public Questionnaire, questions 34-42.
5. The Jack Myers Report, a media newsletter, estimates that in 2002 broadcast stations brought in some \$24 billion in ad revenue, more than any other advertiser-supported outlet except newspapers. All told, broadcast stations garnered some 14.6% of all advertising spending in that year. See Jack Myers Report, "Advertising Expenditures History and Forecast, 1998-2006," p. 3.
6. Pew Research Center for the People and the Press, "2002 Believability Survey," May 6-16, 2002 question 9. Online at: <http://people-press.org/reports/print.php3?PageID=631>.
7. The market bounds at times depend on the strength of the broadcaster's signal; for example, the Washington market includes two NBC stations, WRC and WHAG in Hagerstown, Md., because WRC's signal does not penetrate far enough to cover western Maryland.
8. Of the broadcast networks that own broadcast stations, Fox and CBS have the highest penetration, with stations that reach 39% of all TV households; NBC's stations reach 34%, and ABC reaches 24%.
9. See John M. Higgins, "Big four look small in the margin column," *Broadcasting & Cable*, June 30, 2003, p. 1.

Content Analysis

Content Analysis

What does the typical local television newscast look like? For some chapters of this report, the Project did a special content analysis of media sectors in 2003. No such content study was done for local television news. From 1998 through 2002, however, the Project undertook an exhaustive examination of the content of local news in 15 to 20 markets a year – randomly selected with controls for station size and geographic diversity. In all, 154 stations were studied, some multiple times. Based on that research, the largest single study of local news we know of, the Project has a fairly detailed sense of what Americans generally get from local television news. 1

This detailed analysis suggests that local television news is, indeed, very local. It does a good job of covering many everyday events in most communities, especially incidents from the police scanner and events on the news daybook. Local television news is, also, not the same everywhere.

Yet the data also reveal that the medium is dominated by the ethos of “live, local and late-breaking” coverage, particularly of crime. Many of the stories are formulaic, reactive and, above all, short.

Here are some findings:

- Three-quarters of all stories are local.
- Roughly 70 percent of the stories are under one minute long.
- The most common topic is crime – by more than 2 to 1 over anything else.
- Four in ten stories are about fairly typical, everyday incidents.
- Six out of ten stories that involved controversy gave only or mostly one point of view.

What Gets Covered

The Project’s study found a remarkable consistency in terms of what got covered, a surprising range in terms of quality, an alarming tendency toward one-sidedness and a steady disappearance of enterprise.

In every year of the study, the No. 1 topic on local television news was crime. Over the five years, 24 percent of all stories were about crime – the number ranging from a high of 26 percent in 2002 to a low of 19 percent in 2000. (Some stations clearly go the other way. In 2002, the last year of the study, there were stations where crime represented as little as 5 percent of stories. But these were unusual.)

If crime was the No. 1 topic on local news by more than 2 to 1, what came next? Over the five years, stories about accidents, bizarre events, fires and catastrophes accounted for 12 percent. Taken together, crime, fire accidents and disasters made up 36 percent of all stories.

The next most popular topics were human-interest stories and politics, which each accounted for 10 percent of stories. This was followed by social issues – a category that includes a wide swath of topics such as education and transportation – at 8 percent, and then by business and economic news at 7 percent, although most of these stories were brief updates on Wall Street rather than larger pieces on economic issues. (The study did not attempt to track weather and sports coverage.)

Thus the notion that it has to bleed to lead in local television news is an exaggeration, but it is grounded in some reality. We looked just at lead stories on the 2,400 newscasts studied to test this idea. We found that 39 percent were crime stories, while 13 percent were about disasters or severe weather and 9 percent were about a fairly routine fire or accident, for a total of 61 percent. Local TV news is not dominated by these topics, but it does tend somewhat to lead with them.

Topic Coverage of Local TV News Stories

Topic	Percent of Stories
Crime/trials	24%
Accidents/bizarre events/disasters	12
Politics/government	10
Human interest	10
Social issues	8
Business/economy	7
Culture/civilization	7
Health/consumer	6
Miscellaneous	6
Foreign affairs/defense	5
Science/technology	4

Source: PEJ Local TV News Project.

Weather and sports coverage not counted towards total. Totals may not equal 100 due to rounding.

Story Focus

The study also looked at what aspect of an event a story focused on regardless of topic. To what extent did the story try to extract an underlying idea or trend? To what extent was it focused on just the incident itself? Was it that there was a crash at North and Main Streets? Or did the story note that this was the fifth crash in a month at that corner? Or did the story go so far as to explain why the problem corner had not been fixed with a traffic light? 2

Here, the reactive and somewhat superficial nature of so many stories becomes apparent. In all, 41 percent of stories focused on everyday incidents, such as relatively common car accidents or crimes. Just 15 percent dealt with ideas by finding the trend or larger problem suggested by whatever the incident was. Eleven percent concerned unusual events, things that were not typical or happened every day. Only 8 percent focused on the health of local institutions.

Story Focus of Local TV News Stories

Story Focus	Percent of Stories
Everyday incidents/crimes	41%
Human interest/pop culture/scandal	15
Ideas, issues, or trends	15
Unusual/monumental events	11
Local institutions	8
Political strategy	6
Breaking events	2
Public malfeasance	1
Other	1

Source: PEJ Local TV News Project

Totals may not equal 100 due to rounding.

Actors in the News

Who do we see, and not see, on local television news?

Here again, the orientation toward live local and late-breaking news, especially of crime, has an impact. Suspects, lawyers, police officers and victims of crime made up 26 percent of all the people seen in the local news study over five years. Firefighters and emergency medical personnel add 3 percent more.

Who was not seen on local news also stands out. Seniors, for instance, were an asterisk, not even 1 percent. The poor and immigrants also did not even register a single percentage point as on-camera subjects in stories.

Government officials of all sorts, from the president to city council members, made up 14 percent, the second-largest group – after people involved in crime.

Main Subjects of Local TV News Stories

Main Subject	Percent of Stories
People involved in crime (e.g., victims, criminals, law enforcement, judges)	26%
Elected officials (e.g., Congress, mayors, school boards)	14
Business/corporations	8
Natural events (floods, severe weather, etc.)	5
Celebrities and athletes	5
Participant in unique events	5
Person in the street	4
Other	33

Source: PEJ Local TV News Project

Totals may not equal 100 due to rounding.

Story Length

Another characteristic of local television news is that the stories are short. In the study:

Four in ten stories (42 percent) were under 30 seconds.

- Only three in ten (31 percent) were more than a minute long.

This brevity may help stations cover a lot of news, but it tends to reinforce the sense of superficiality and lack of real connection to people. Faced with competition from all-news cable and the need to “grab the eyeballs” of people who have been watching lead-in entertainment programming, local newsrooms often appear to opt for immediacy over storytelling. Stations tend to emphasize this approach somewhat more in late news, following prime time, than in early news, at 5:30 or 6 p.m. When correlated with viewership trends, the findings suggest that airing more short stories may be unwise for stations trying to build viewer loyalty. In each year of the study, stations with better measures of commercial success (defined as their ability to attract or retain audience) tended to do fewer very short stories and more long stories. The problem is, of course, finding the right mix. A station that did only long stories, in a 22-minute newscast that includes sports and weather, would not cover much of the community.

Local vs. National

Local television news is also predominantly local. Three quarters of the stories (76 percent) were local and the balance were national or international.

One might think that this is, in part, because the charge of local television news is to be local. And it is. But that mandate is often tossed aside for reasons that belie local values. For instance, wildfires in California, which are highly visual, tended to lead local newscasts in Washington, D.C., even though they were far away. But other major national stories, such as economic news or politics, might never lead local newscasts.

Enterprise in Local News

The other characteristic of local television news is that it tends to react to events rather than seek out the news, increasingly so. The study also coded every story studied according to a hierarchy of enterprise. At the top were those stories labeled by the station as investigative, followed by non-investigative series, followed by tough on-camera interviews. At the bottom were video press releases put on the air. Sending an on-camera reporter to an event was scored higher on the enterprise ladder than just sending a camera. The data showed a growing reliance on stories that did not involve having a correspondent cover a story.

In the first year of the PEJ study, for instance, 14 percent of stories were feeds from somewhere else. In 2002, the fifth year of the study, the use of feed material had risen to 23 percent. Similarly, in the first year of the study, 9 percent of stories were prearranged events, such as press conferences, in which the station sent a camera but had no on-camera correspondent. By the fifth year, that, too, had risen, to 29 percent of all stories.

Also:

- One in five stories (21 percent) involved stations responding to events such as traffic accidents or robberies.
- And fewer than one in ten stories (7 percent) were investigative stories, non-investigative series or included substantive on-camera interviews.

Why is this the case? One reason, interviews in newsrooms suggest, is the sense that yellow police tape and flashing lights make for good television. But, to the contrary, studies correlating viewership trends to story lineup choices suggest that leading newscasts with such stories does not build viewership.

Enterprise in Local TV News Stories

Form of Enterprise	Percent of Stories
Coverage of “daybook” events with reporter present	26%
Coverage of “daybook” events with no reporter on camera	22
Wire/feed stories and stories attributed to another news source	22
Coverage of spontaneous events	21
High-level enterprise (e.g., investigations, news series, and tough interviews)	7
Other	3

Source: PEJ Local TV News Project.

Totals may not equal 100 due to rounding.

One-Sidedness in Local News

The study also examined the balance of sourcing by first asking whether the story involved a controversy or dispute. “The school board approved a new bond issue today,” may be presented as fact. Whether or not all the citizens whose tax bills may be affected by the decision agree with the new bond is a matter that is probably in dispute. In stories involving such disputes, did the reporting involve a mix of viewpoints, tell mostly just one side, or exclusively one side? 3

The study consistently found a distinct one-sidedness to controversial stories. Indeed, in stories that involved some controversy, 60 percent of the stories told mostly or only one side. Another 40 percent contained a clear mix of opinions. This was true every year of the study, and though there were differences each year, no pattern emerged to suggest that this was an issue of resources or people being increasingly pressed for time.

Balance of Viewpoints in Controversial Local TV News Stories

Story Viewpoint	1998	1999	2000	2001	2002	Total
All one opinion	43%	55%	46%	50%	43%	47%
Mostly one opinion	12	16	9	13	11	13
Mix of opinions	45	29	44	38	45	40

Source: PEJ Local TV News Project

Totals may not equal 100 due to rounding.

Is Local News the Same Everywhere?

Some critics have suggested that local news has been so homogenized that it is the same everywhere – that the news in one town looks just like the news in every other with no real connection to the local community. One reason, observers have argued, is that a handful of three or four television news consulting firms dominated the industry from the 1970s through the 1990s and impressed the same small set of conventional ideas on virtually every station in the country. As a consequence, local television news has no sense of place.

Is that critique fair?

The data in the PEJ content study suggest that the complaint about homogenization appears to be partly true but exaggerated. For instance, crime was the most popular topic almost everywhere (at 191 out of 242 stations studied). Still, that leaves more than 50 stations at which crime was not No. 1. (At some stations, as noted above, crime was as low as 5 percent of stories.) The next-most popular topic varied – from human interest at some stations to politics at others.

There were some other differences that stood out as well. The most obvious was the variation in the number of stories aired in a typical newscast. The average number is 14 stories, but there were stations which ran as few as 7 per night to, in one case, a station that typically aired 27 stories.

The size of a station's market had an effect on some aspects of local television news: stations in the smallest markets were less likely to air sensational footage and more likely to cover social issues.

What may be more true is that the style – the look and feel of local news – rather than the substance, seems homogenized. Local anchors tend to look alike and dress similarly. Almost all stations have adopted the “family model” – two anchors, usually a man and a woman, plus an amusing weathercaster and a jock newscaster. Older women are hard to find on newscasts, though older men are not. The graphics and sets are similar. So is the emphasis on live, local and late breaking. At least one reporter package starts with a live lead in, even if the event is hours old, and the story unfolds according to format. And many gimmicks – “The News at Six starts now” intones the anchor breathlessly – are so common that they are clichés. But the charge that the news is the same on every station everywhere is, beyond the style, unfair.

Footnotes

1. The content analysis in this section is based on a database of 33,911 stories from the 154 stations studied. Two weeks of half-hour news programs were studied at each station: one sweeps week, and one non-sweeps week. The timeslot selected for study was the half-hour when the most people in the market were watching local news. For more information, see Project for Excellence in Journalism, “Local TV News Project,” available online:

<http://www.journalism.org/resources/research/reports/localTV/default.asp>.

2. The focus of the story was scored on a scale: for example, issues of public malfeasance were considered more important than stories about celebrities.

3. The study counted how many sources were used in each story, and how many points of view were presented. Stories presented as undisputed (a fire, the weather) were noted separately. In all other stories that involved some element of controversy, the study counted how many points of view were included – just one, mostly one, or a mix of more than one point of view.

See end of document for content analysis methodology.

Audience

Audience

When it comes to viewership of local television news, two trends stand out.

- The decline in viewers that began in network news in the 1980s is now at play in local news as well, and this is putting pressure on all facets of what people see.
- The losses appear to be not as steep as at the networks, but in the six years of 1997 through 2002, the last year available, network and local news broadcasts have lost at about the same rate, a little more than one share point a year.

Collecting viewer data for local news is not as easy as for network news. It involves gathering statistics from 750 stations that produce local television news in 210 markets. But the evidence of the audience decline is consistent enough to be clear.

From 1998 to 2002, the Project collected Nielsen Media Research audience data for each station included in its content study. In every year of that research, the vast majority of stations studied were losing audiences. In the year of the greatest decline, more than 88 percent of stations studied were losing audience. In the best year, 72 percent of stations studied were losing audience.□

Percent of Local TV News Project Stations Losing Audience, 1998-2002

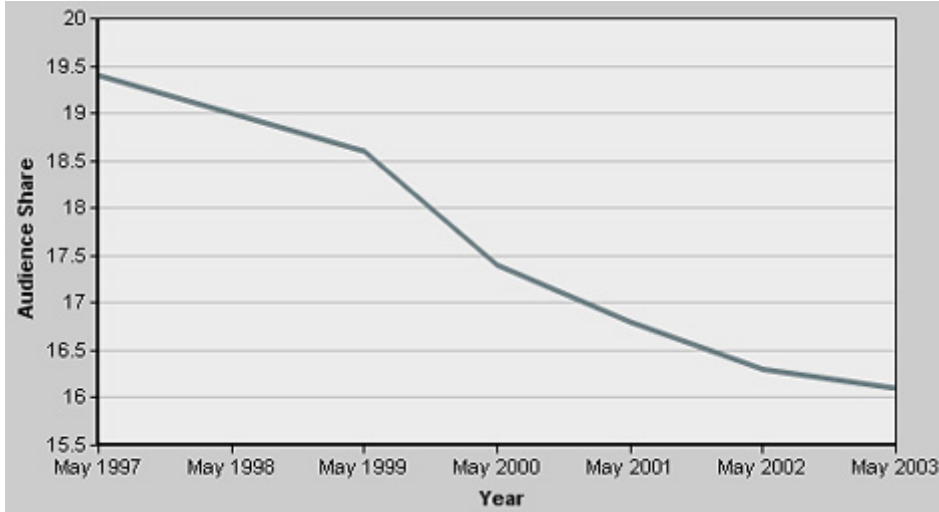
Year	Percent of Stations Losing Audience
1998	82.0%
1999	78.0
2000	88.5
2001	72.1
2002	84.9

Source: PEJ analysis of Nielsen Media Research data

Not only were most stations losing audience every year, but many of them also were losing people every ratings period, roughly the same rate each year. Over the course of the five years from 1998 through 2002, the average ratings loss was about 0.4 ratings points per year, or about 2 ratings points over five years. In a big market, like Chicago, this would be equivalent to losing 35,000 viewers a year. In a smaller market, like Wichita, it would mean losing 4,300 viewers a year.

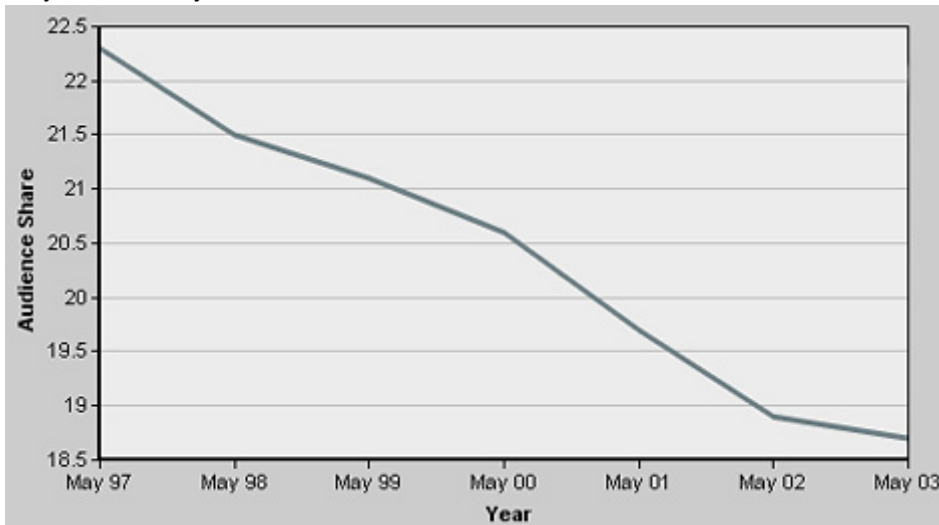
This trend becomes even clearer looking at another audience measurement, the share of all television sets turned on at a particular point in time. BIA Financial Network, or BIAfn, a media investment research company, collects data from Nielsen Media Research on every television station in the country. It found that from May 1997 to May 2003, the cumulative share of television sets turned to early evening local news had dropped 18 percent. The share of sets tuned to the late news, after prime time, dropped by 16 percent.

Average Early Evening News Share May 1997 to May 2003



Design Your Own Chart
Source: BIAfn MediaAccess Pro

Average Late News Share May 1997 to May 2003



Design Your Own Chart
Source: BIAfn MediaAccess Pro

If one tries to imagine what this means for a mythical average local television station, the results become easier to grasp. The average early evening local television news station in the country in 1997 had a 19.4 share. Today, it has a 16.1 share.

The average late local newscast (after prime time) in 1997 had a 22.3 share. Today that has dropped to 18.7 share. 1

What is the difference between ratings versus share? Ratings show the percentage of all television sets in the market tuned to a given program. Share tells us the percentage of just the television sets in use at a given time tuned to each program – or something akin to market share. Thus the decline in share tells us fewer people who are watching television are choosing local news. But that might not tell the full scope of audience loss of local news since 1997. It does not measure those people who have turned off the television set altogether. That total audience loss could be greater than 18 percent in early evening news, or it could be less. What the decline in share does tell us, however, is that more and more people who are still watching television are now watching things other than local news.

The issue, in other words, is not just that people have turned off the television set. They have turned off the news in particular.

Why? Here the research is varied and hard to pin down. Some of the reason for declining viewership is almost certainly due to technology. There are more channels to choose from. Some sets that might have been tuned to local news are now tuned to Nickelodeon, ESPN or the Game Show channel.

Some evidence suggests people are also less satisfied with what they see on local television news. A study conducted by NewsLab, an organization that helps television news operations with research and training, and executed at Indiana University found that many people are deliberately avoiding local television news and getting their local news from other sources.

People who choose not to watch local television news offered specific reasons to explain why they had stopped watching. The most frequent responses that addressed local television content identified three problems: too much crime, too much fluff and too much repetition.

Reasons Given for Not Watching Local TV News

Reason Given	Percentage (More than one answer accepted)
You are not home when the news comes on	38.6%
You are asleep when the late news comes on	36.6
You get local news elsewhere	35.2
You are too busy to watch when home	34.4
There is too much crime on local TV news	32.0
You are watching something else when the news is on	27.0
Local news is always the same stuff	25.0
There are too many fluff stories	24.6

Source: NewsLab

The NewsLab research is reinforced by a survey from a commercial concern called Insite Research, which found that viewers felt there were fewer distinctions between newscasts and thus felt less loyalty to any one station. 2 [See also Public Attitudes.]

Some of the decline in viewership, however, has nothing to do with channel preference but probably has to do with changes in the way people live. Americans wake up earlier and commute longer. Indeed, as the chart above shows, roughly one-third of the news audience is no longer available to watch news because they are either commuting during the evening newscast or asleep by the time the late news begins. 3 One sign of this is the fact that, according to news professionals, the most likely growth area for local news in most markets has been early morning news, before 7 a.m. This is why many stations now produce more hours of news, starting as early as 5 a.m. in larger markets. The trend has included stations in large markets pushing the start of their morning news programs earlier and earlier, while midsize markets are adding morning news where they once aired syndicated shows. 4

Footnotes

1. Because share varies depending on the time of day and the number of viewers watching, it cannot be translated into an exact quantification of viewer loss.

2. Insite Research, "Television Audience Survey: Local Television News," October, 1999.

3. Deborah Potter and Walter Gantz, "Bringing viewers back to local TV: What could reverse the ratings slide?" NewsLab.org. Online: <http://www.newslab.org/research/bringback.htm>.

4. For example, see Todd Bishop, "TV's morning wars," *Philadelphia Business Journal*, March 27, 2000, online at <http://www.bizjournals.com/philadelphia/stories/2000/03/27/story1.html>; and Rich Kirchen, "Local news is getting up pretty early in the morning," *The Business Journal of Milwaukee*, August 2, 1999, online at <http://milwaukee.bizjournals.com/milwaukee/stories/1999/08/02/newscolumn2.html>.

Economics

Economics

Even with the economy in the doldrums, the local television business is remarkably and consistently profitable. On average, local television stations earn more than double the return of what newspapers earn, and the newspaper industry is among the most profitable in the country.

Just how profitable is local television? The evidence, much of it based on surveys, suggests that profit margins of around 40 percent is not a bad estimate. For four years, the Project surveyed news directors on newsroom profit targets. Responses to this question were low, but the range of profit targets that news directors reported varied between a little less than 30 percent and a little more than 40 percent.

Privately, however, news directors have told us, and other evidence supports the idea, that in larger cities the profit margins could well be much higher. According to TV Week, for instance, Hearst Argyle, a company with larger-market stations and a reputation for high quality, earned profit margins in 2002 of 51 percent at its NBC affiliates and 42 percent at its ABC affiliates, “even though the ABC Television Network ratings declined 20 percent.”¹

The major issue facing local television news in the future is how to maintain these high profit margins when viewership is declining. Without increasing its audience, local television news has only limited ways to sustain profit margins, all of which hurt the franchise: raise advertising rates despite a smaller viewership, shrink the news content to increase the amount of advertisements that can be shown, sell off news content with sponsorship logos and segments, or cut costs.

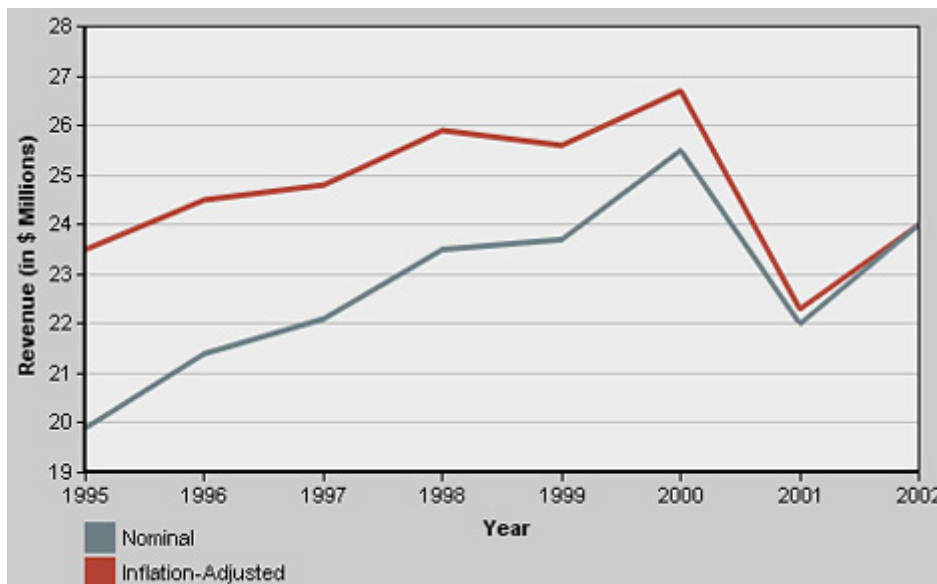
Local stations, though, still have some things going for them. At most stations, much of the physical plant is already paid for. The licenses to run the stations are free. The only original programming most local stations do anymore is news – and their staffs are relatively small (an average of 31 people, according to surveys of the Radio-Television News Directors Association, or RTNDA). On top of that, most local stations still receive payments from the networks for airing their news and entertainment programs, although these payment structures are beginning to change. In addition, local stations get to use a portion of network programs to sell their own advertising.

Stations are being required to invest heavily in making their signals ready to be broadcast digitally while the compensation they get from their networks is likely to come down. Many local stations also increasingly feel they are at a financial disadvantage compared with cable, which is supported by both advertising and portions of the monthly fees paid by subscribers.

Over the last several years, local television revenue has bumped up and down but remained basically flat, according to BIAfn data.

Average Local TV Station Revenue

Nominal and inflation-adjusted, 1995-2002



Design Your Own Chart

Source: BIAfn MediaAccess Pro* Only commercial English•

language stations broadcasting news programs are included. Inflation adjustment is based on 2002 dollars

Average Revenue and Revenue Growth for All Stations

	Nominal	Inflation-Adjusted (in 2002 dollars)
1995	\$19.9	\$23.5
1996	\$21.4	\$24.5
% change, 1995-1996	+7%	+4%
1997	\$22.1	\$24.8
% change, 1996-1997	+3%	+1%
1998	\$23.5	\$25.9
% change, 1997-1998	+6%	+5%
1999	\$23.7	\$25.6
% change, 1998-1999	+1%	-1%
2000	\$25.5	\$26.7
% change, 1999-2000	+8%	+4%
2001	\$22.0	\$22.3
% change, 2000-2001	-14%	-16%
2002	\$24.0	\$24.0
% change, 2001-2002	+9%	+8%

Source: BIAfn MediaAccess Pro; Dollar figures are in millions of dollars

News Program Advertising as a Percentage of Revenue

Inside local television stations, news is particularly important because it is responsible for a disproportionate amount of a station’s income. According to RTNDA surveys, news accounts for 16 percent of a typical station’s programming each day (slightly more than three hours), but news programs represent roughly 40 percent of station revenue. The evidence suggests that the percentage of revenue from news may not be affected much by hard times. Data from the RTNDA surveys, for instance, show that the share of revenue from news was slightly higher in 2001 than it had been in 1999, even though 2001 was a down year in the economy and 1999 was near the end of the 1990s boom. 2

Percentage of TV Station Revenue Produced by News Programs, by Market Size
Average of All Respondents

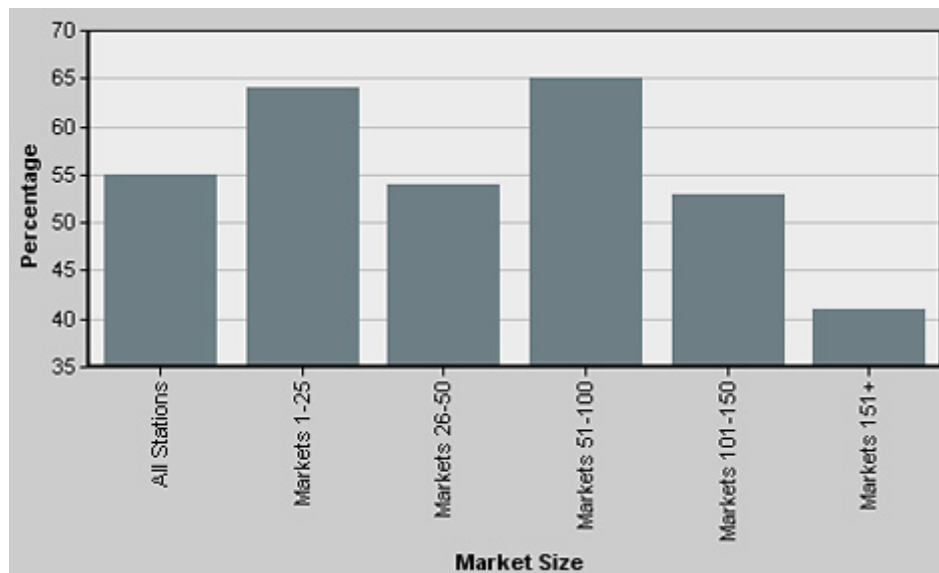
	1998	1999	2000	2001
All TV	42%	39%	44%	41%
Markets 1-25 (biggest)	37	36	38	28
Markets 26-50	29	30	35	40
Markets 51-100	44	44	47	42
Markets 101-150	42	41	44	47
Markets 151+ (smallest)	46	39	41	43

Source: “RTNDA/Ball State Annual Survey,” survey of local television news directors

There are signs, however, that the local television news business is getting harder or maybe that there is getting to be a separation between the winners and losers. Surveys conducted by the Radio Television News Directors Association show that in 1996, 62 percent of news directors reported that their newscasts had made a profit. That percentage began dropping in 1998, and has steadily trended slightly downward since, to 55 percent of news directors in 2001 reporting a profit. Eleven percent reported losing money. The rest were either breaking even or didn’t know. It is difficult to know whether the declining number of news directors reporting profits is due to rising expenses, declining viewership or economic cycles, but likely some mix of all three is at play.

TV News Profitability by Market Size, 2001

Percentage of respondents in each market grouping reporting profit or loss



Design Your Own Chart

Source: "RTNDA/Ball State University Annual Survey"

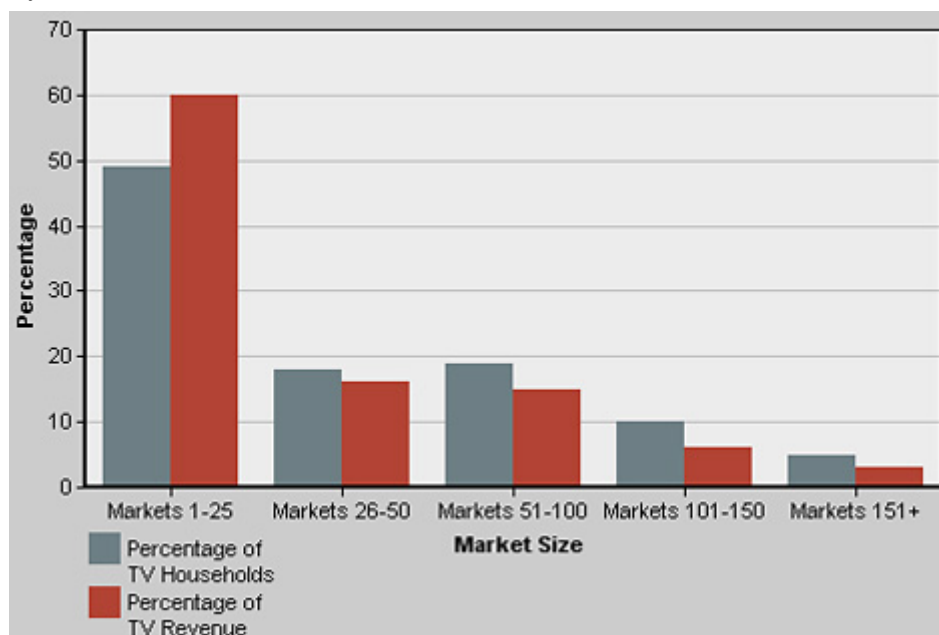
Market Size And Profitability

Market size makes a difference in local television. The biggest markets – and, thus, the biggest stations – capture the lion's share of revenue in good times or bad. As the chart below indicates, stations in bigger markets make higher revenue disproportionately to the number of households in their viewing area. Not only do stations in big cities make bigger revenues, but they also make a higher percentage of revenue per household: the 25 biggest markets contain 49 percent of the country's television households, but they receive 60 percent of local television revenue.

One thing that could make matters even harder for stations in smaller markets is that the cost of converting to digital is nearly as much for a station in the 150th-largest market in the country as it is for the station in the fifth-biggest market—since the equipment is the same.

TV Station Revenue Compared to U.S. Population, 2002

By market size



Design Your Own Chart

Source: BIAfn MediaAccess Pro

* Chart compares percentage of all TV station revenue to percentage of all TV households.

In the end, broadcast stations have been able to keep their revenues healthy despite declining viewership for a simple but significant reason: In a fragmented media market, their audiences are still large and diverse enough to approximate the closest thing TV advertisers can still get to a mass audience. But as indicated above, stations have protected the bottom line through a variety of means—from cutting costs to adding more commercials to creating sponsored segments, putting sponsor logos inside programming on weather maps or sports scores to looking for other revenue opportunities. All of these weaken the product, making it more cluttered, smaller and mixing news and sponsorship. The question is how long television stations can keep up these alternative ways of building revenue amid declining viewership.

Footnotes

1. See Diane Mermigas, "Hearst-Argyle aims for new biz opps," *TV Week*, September 15, 2003. Available at: <http://www.craini2i.com/em/archive.mv?count=3&story=em516732287025518840>.

2. The sources for this information were the "RTNDA/Ball State Annual Survey," a survey of local television news directors, and the financial data gathered by BIA/fn. A breakdown by market size suggests this was true across the board, but in 2002, different-sized markets seemed to rebound at different paces.

Ownership

Ownership

The main trend in television station ownership has been that of a few of companies growing bigger, with the gap in revenue between the biggest and smallest companies growing larger.

While the status of the latest FCC regulation remains unresolved, the changes in television ownership debated in 2003 have their roots in deregulation that began in earnest in the 1980s during the Reagan administration, when the advent of cable persuaded a new generation of regulators that federal requirements on programming of the public airwaves were no longer necessary. The shift, however, is by no means a Republican move. The real change in ownership trends began in 1996, when the Clinton administration won passage of a law that loosened regulations so that, for the first time, a single company could own more than 12 stations. It also allowed companies to own stations that reach as much as 35 percent of American television viewers. It maintained rules banning ownership of more than one television station in all but the largest markets and, with some exceptions, banning ownership of a television station and a newspaper in the same market (also known as cross-ownership).

The next six years saw a rash of mergers and acquisitions of local television stations. The Chris-Craft station group was purchased by News Corp., creating Fox-UPN combinations in some of the country's biggest markets. Hearst-Argyle Television purchased the broadcast stations owned by the Pulitzer Company. Lee Enterprises, a newspaper publisher headquartered in Davenport, Iowa, sold its television stations to Emmis Communications in 2000.

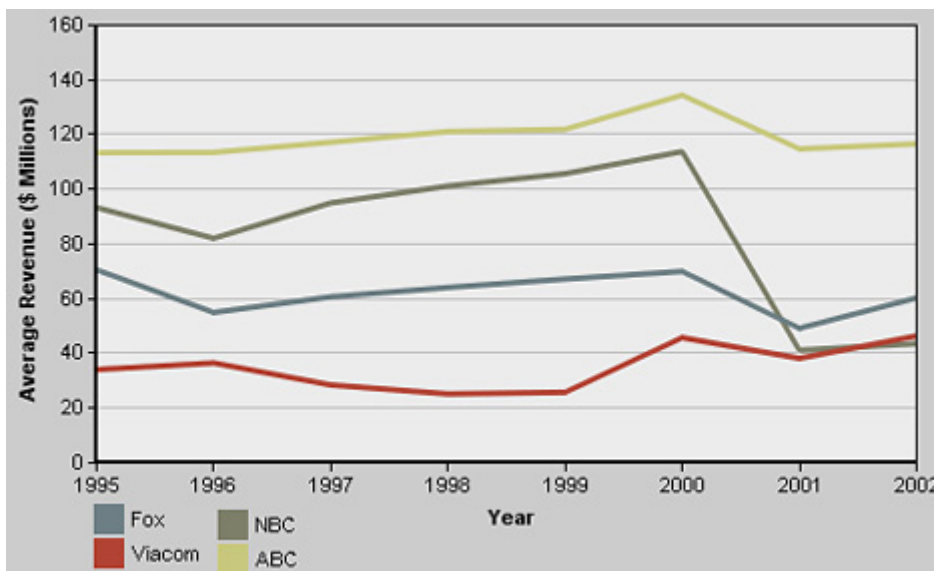
Many companies have added assets in anticipation of the FCC further relaxing ownership rules and have received waivers from the FCC when their new acquisitions violated the existing rules. Several companies were in technical violation of the rules as they stood in 2003, including Viacom and News Corp., each of which owned stations covering more of the country than the ownership rules allowed. The Chicago-based Tribune Co. purchase of the Los Angeles based Times Mirror Company in 2000 required multiple FCC waivers because the merged company owns television-newspaper combinations in New York (WPIX and Newsday) and Los Angeles (KTLA and The Los Angeles Times).

Many smaller television companies, meanwhile, are eager to see relaxation of the ownership rules, particularly those involving cross-ownership and duopolies (owning more than one station in a single market). But they are also wary of the impact of bigger companies gaining more power. In particular, they worry that if the networks own more stations they will have too strong a hand when it comes to negotiating things like the number of commercials local stations are allowed to sell during prime-time programming.

By 2003, the local television landscape had broken down into four levels. The four major networks together owned 126 stations, mostly in the biggest cities and in all areas of the country. All four companies, for example, own stations in the four biggest television markets.

Average Station Revenue for Highest-Revenue Station Groups

1995-2002



Design Your Own Chart

Source: BIAfn MediaAccess Pro

They were followed in size by a group of major chains that were more regional, such as Belo (concentrated in Texas and the Northwest) and Gannett (which owns stations in most of the Southeast's biggest markets). Most of these station groups are owned by companies with substantial investment in other media sectors, including the Hearst and Tribune companies, and they are often involved in business relationships with the four major networks.

Next came medium-sized chains. Some of these groups have investments in other areas of the media, but they are generally too small to attract deals with the networks and their involvement in the television business is limited to what they receive from local station revenue.

Lastly, there are small chains clustered in midsize and small markets, many of them formed by investors who acquire and swap stations and eventually sell them to larger companies.

Vanishing were the local owners with one or maybe two stations.

Consider just the top 10 biggest local television companies, which include the four networks and most of the major chains. ¹ In 1995, these 10 local television station owners had \$5.9 billion in revenue and owned 104 stations. By 2002, those companies had doubled that revenue total and owned nearly three times as many stations.

For now, the deregulation trend may have been suspended anyway. The FCC's vote relaxing ownership rules was thwarted by Congress, and even the FCC came up short of eliminating the federal limit on what percentage of the U.S. population one company could reach with its stations. The limit going into 2003 was 35 percent and the FCC considered eliminating caps altogether. Instead, it chose to raise it to 45 percent. In all but the smallest markets it also loosened restrictions on cross-ownership, permitting newspapers to purchase television stations, and also permitting companies that already own one station in a market to purchase others, dependent on the total number of stations in the market. In some markets co-ownership of three stations is possible.

But even that proved too much for Congress. The House of Representatives inserted a provision in an appropriations bill that essentially forbids the FCC from taking any steps to enact the lifting of the ownership cap. The Senate passed a "resolution of disapproval" that would invalidate the FCC regulations. President Bush signaled that he would veto a bill that stopped the implementation of the new ownership regulations; in late November the White House and Congress negotiated a deal that would raise the ownership cap to 39 percent, thereby keeping Fox and Viacom within the limits of the law. Under the omnibus spending bill signed into law by President Bush in January 2004, the 39 percent cap became federal law and no longer subject to biennial FCC review, making it difficult to overturn.

Meanwhile, in September 2003 a federal appeals court in Philadelphia ordered a stay of all the new ownership rules in response to a suit from a small radio company, declaring that "if it had not delayed the order, the challengers would lose 'an adequate remedy should the new ownership rules be declared invalid in whole or in part.'" ² Arguments on the case began in February 2004. This has essentially frozen action on cross-ownership and duopoly-related transactions until the law is clarified.

There are various reasons why the FCC ran into trouble. Depending on your point of view, it may have been overreaching on the part of the FCC, poor political management by Powell, the FCC chairman, public opposition to concentration, or a rare bipartisan coalition against concentration that includes everyone from the usually anti-regulatory National Rifle Association to liberal groups who favor strong government regulation like the Media Access Project.

Regardless of where the regulatory battle ends, two points seem clear for now:

- Consolidation and deregulation have already transformed the media landscape and are not likely to go away.
- The public and politicians from both parties have, for the first time, sent signals that they are concerned about the possible consequences of further deregulation and consolidation: a decline in the quality of the local television news.

Current trends suggest that the corporate ownership group model, with everything it implies – more centralized profit targets, sometimes added debt, out-of-town management, the opportunities for and sometimes the demands of synergy, potentially superior management and resources mixed with the risk of viewing local news as a commodity in a portfolio – is the biggest influence affecting the future of local television news.

One thing to watch will be whether – and how – ownership groups try to integrate their assets, using centralcasting and other technologies.

There has been a lull in the industry in the past year as stations have tried to recover from the recession and the FCC has been in the process of drawing up new ownership rules. This may well continue until a final resolution to that process appears. How that resolution will come about – whether in the courts, the Congress, or the White House – remains up in the air.

On the one hand, it seems more than likely that local television news will see a continuing slow decline in viewers, just as network programs are experiencing. It is hard to imagine anything happening that will sharply improve the content of local television news. But it is possible to imagine that the digital-transition could lead to an entirely different kind of television that would essentially eliminate local stations in much of the country. This would seem particularly plausible with higher ownership limits.

As it is now, affiliates generally have the same interests vis-à-vis the networks, whether they are owned by Fortune 500 corporations or a group of family members. But if the networks are able to own more stations in the biggest markets, they could pose a major challenge either to small owners or perhaps even more to regional heavyweights like Hearst and Belo. These mid-sized companies might have to grow bigger or be bought. In the past, the big broadcast networks have shown less interest in owning stations in smaller markets. The WB network, however, provides a template for what could happen next. In 109 markets (basically, the smallest markets), WB network programming is distributed via cable exclusively. A “station in a box,” or SIB, is placed with a local partner in each market, usually a cable provider or a station affiliated with another network. The WB network transmits programs via satellite to the SIBs, complete with national ads. The SIB does most of the work, automating the order in which programs are played and inserting localized bits of information (like the station’s call letters) where necessary. ³ Is it possible that the networks could one day decide to cut loose their affiliates and instead deploy SIBs throughout the country in spots where they do not already own television stations? In that case, the networks would become something not very different than the cable channels.

Footnotes

1. Including Tribune, Gannett, Hearst, Sinclair, Belo and Cox.
2. See Lyle Denniston, “Court delays FCC rules on media,” *Boston Globe*, September 4, 2003, p. C1.
3. See Kathleen O’Steen, “Tech wizardry controls network,” *TV Week*, September 22, 2003, p. 18.

News Investment

News Investment

The story in newsrooms is that once again technology is revolutionizing how television professionals prepare local news. There are several clear trends:

- Many newsrooms are being asked to produce more hours of news without adding people to do the work, and in some cases with fewer people.
- This is changing the product people get – in some cases thinning and hollowing out the kind of news that is aired, in other cases creating local news that is less local and more based on “feed” material from other places.
- A few companies are moving toward what is being called “centralcasting,” in which some of the people on local newscasts are not local at all. The weather and some anchors are actually in other cities, though viewers may never be told.
- Many stations also take advantage of “hubbing,” in which they purchase specialized news content from a local provider for things like metro traffic reports, helicopters and other material. A few stations are now experimenting with getting things like sports reporting, including the anchor, from these outside firms, which send out teams of people to shoot local sports events for multiple clients.
- A few companies now own more than one station in a city and sometimes produce news for two stations from one newsroom.

Television stations do not tend to have that much newsgathering muscle, at least when compared with the newspapers in their communities. In 2001, for instance, the last year for which there are data, the average local television newsroom in the country had 30.7 full-time people on the “news staff,” according to survey work from RTNDA. ¹

Moreover, the number of television news staff members per station has changed little over recent years, despite the fact that most television stations are producing more hours of news.

According to PEJ's 2002 survey of news directors, three-quarters of local newsrooms have assigned beats. Among those beats, medicine/health reporters were most common (42 percent) followed by crime or court beats (38 percent), education (37 percent), investigative (25 percent), consumer news (24 percent) and government/politics (24 percent). However, many of these positions are not full-time beats, and instead reporters may have responsibility for covering news in a particular field in addition to their “general assignment” coverage of everyday news.

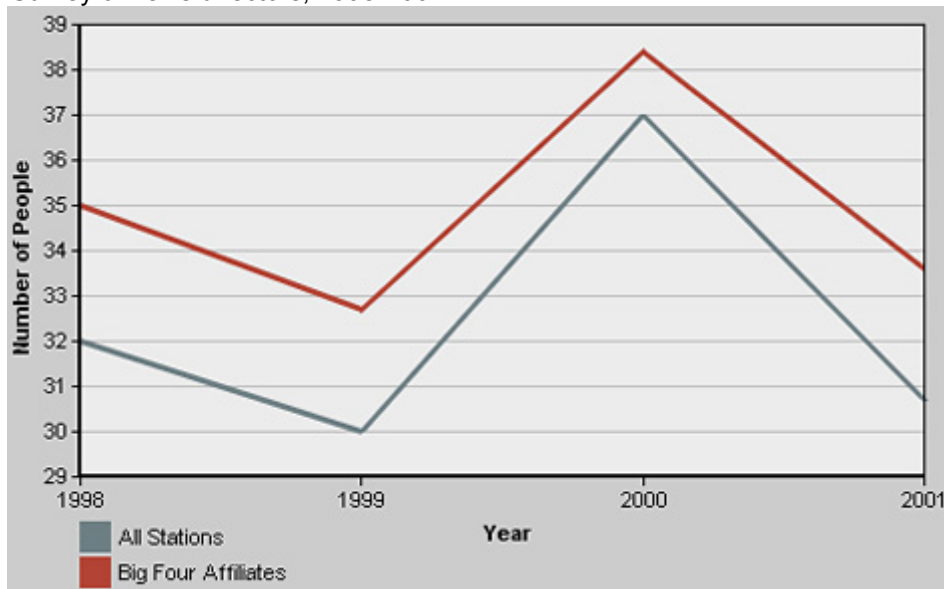
Each year that the Project analyzed television station content, it also surveyed the news directors at those stations about workload. Put together, those surveys show that the average workload per local television reporter is rising rapidly. From 1998 to 2002, the average workload that news directors reported demanding of reporters increased from 1.5 stories a day to 1.8, an increase of 20 percent.

These pressures are hitting news professionals hard. In the Project's 2002 survey of local television news directors, they were most likely to cite “Not enough staff” as the chief obstacle to producing better newscasts. ²

In addition to fewer people, the Project's news director surveys show that budget cuts have had a substantial effect on television newsrooms as well. The most severe cuts came in 2001, when 49 percent of all news directors reported either budget or staff cuts over the year before, and 60 percent reported unscheduled mid-year budget cuts. In 2002 things were much the same: 59 percent of news directors reported either budget cuts or staff cuts.

Average Full-Time Staff Levels

Survey of news directors, 1998-2001



Design Your Own Chart

Source: "RTNDA/Ball State University Annual Survey," 1998 through 2001

Pessimism hangs over newsrooms. As one news director put it in 2001, "People come to work every day wondering if they're going to be fired." In our 2002 survey, 45 percent of all news directors felt that local television news was headed on the "wrong track," while less than a third (31 percent) were optimistic.

Changes in newsgathering technology are also changing the kinds of stories that get on the air. The Project's content study of local news over five years shows that stations appear to be using more of this out-of-town feed material in their newscasts. In 1998, such feeds accounted for 14 percent of all stories. In 2002, that percentage had grown to 23 percent.

Is the gap simply a result of the Project examining different stations in different years? The answer appears to be no. When we looked at specific stations studied in both 1998 and 2002, the use of feeds had nearly doubled, from 12 to 23 percent.

New technology is also creating tapeless newsrooms, which reduce the need for certain kinds of technical staff. In tapeless newsrooms, all stories are recorded using digital cameras, producing footage that can be stored on computer servers rather than bulky videotape archives. Cameras that are easier and less cumbersome to operate make it possible for reporters to shoot their own stories as they are reporting them rather than using a camera operator. Digitized archives make it easy for stations to call up footage from any story they choose, whether it is from a months-old newscast or the day's satellite feed. An additional advantage is decreasing the likelihood of technical difficulties during a newscast, since a digitized system allows for better backup and reduces the chance of technical error. 3

All this is leading some companies to experiment with the different forms of sharing engineering, synergy and "centralcasting." By whatever name, they all refer to some version of producing newscasts for more than one station out of a single facility.

In some markets, companies have bought more than one station and are producing two stations' newscasts from one newsroom. In one such case, in Boston, Viacom owns both the UPN affiliate, WSBK, which produces a one-hour newscast at 10 o'clock, and the CBS station, WBZ, which airs a half-hour news program at 11 o'clock. There, as in many other markets, a great deal of thought was put into how to differentiate the newscasts from each other in hopes of appealing to each station's desired audience. The solution in Boston was to create a rotating anchor desk that can be shifted in front of two different backgrounds. 4

In some other cities, companies are trying to achieve similar cost cutting by producing newscasts that air in more than one city from a single location. This is what is more commonly thought of as centralcasting. Bahakel Communications, for example, owner of WOLO in Columbia, S.C., now produces WOLO's newscasts from its Charlotte station, WCCB, 90 miles away. Emmis Communications, a television and radio station owner headquartered in Indianapolis, programs its Southeastern stations from a hub in Orlando, Fla.; at those stations, the newscasts are the only locally produced elements. 5 In a presentation to investors in August 2003, NBC announced that it had gone from having master control

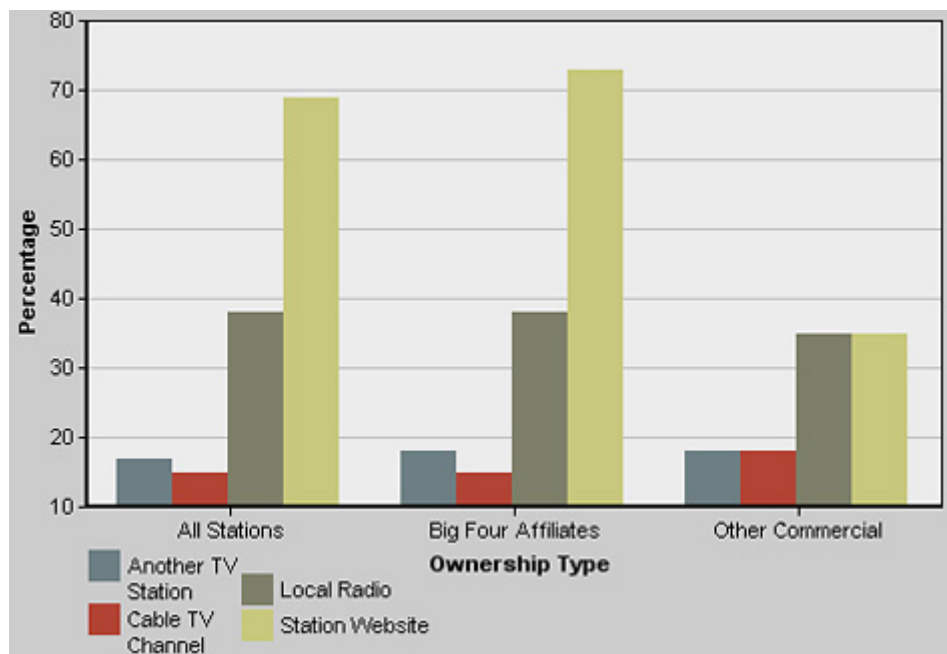
and graphics operations at each of the 29 NBC and Telemundo stations to a system of four hubs scattered around the country doing the same functions, with a resulting \$30 million in savings. 6

Dallas-based A.H. Belo Co. is using technology to create a slightly different kind of regional news synergy. Belo owns stations in the four biggest markets in Texas and operates a 24-hour Texas news channel, which relies on material from its various properties.

The Sinclair Broadcast Group, outside Baltimore, is trying the best-known example of such integration. The Sinclair group's "News Central" beams "localized" weather and sports segments from its Maryland headquarters to stations around the country, along with national and international news reports and even editorials. According to a company executive interviewed by the trade magazine TV Week, full implementation of "News Central," it is hoped, will halve the company's local news costs. 7 At the same time, Sinclair's technology is also bringing news to some stations that were not producing it before.

TV Newsrooms Outsourcing Content, by Affiliation, 2001

Survey of news directors



Design Your Own Chart

Source: "RTNDA/Ball State University Annual Survey," 2001.

* Multiple responses accepted; totals do not equal 100.

A station continues to have incentives to keep local newscasts as part of a station's offerings. Station managers believe that providing a news program boosts a station's prestige and makes it more attractive to advertisers.

Companies will surely make arguments about the journalistic benefit of these moves, but the immediate cost effectiveness is the driving incentive. In the current climate, there are companies that believe quality will win out, and there are companies that do not. But the financial markets are not rewarding risky investments that do not promise cost savings.

Meanwhile, news directors are trying to figure out how to move forward. According to PEJ's 2002 survey of local television news directors, most believe that the cutbacks have stopped, but they are not sure what the future holds.

Footnotes

1. Radio-Television News Directors Association, "RTNDA/Ball State University Annual Survey," 2001, chart "TV Staff Size," available at <http://www.rtna.org/research/staff.shtml>. The RTNDA surveys define news staff as all individuals who report to the news director (usually including reporters, assignment editors, producers, photographers, camera operators, etc.).

RTNDA is the world's largest professional organization devoted exclusively to electronic journalism. RTNDA represents local and network news executives in broadcasting, cable and other electronic media in more than 30 countries. RTNDF promotes excellence in electronic journalism through research, education and training for news professionals and journalism students. The Foundation's work is supported by contributions from foundations, corporations, members of the Radio-Television News Directors Association, and other individuals. Its code of ethics can be found here: <http://www.rtna.org/ethics/coe.shtml>.

2. "On the road to irrelevance," *Columbia Journalism Review*, November/December 2002, online at <http://www.journalism.org/resources/research/reports/localTV/2002/irrelevance.asp>.

3. See Kal Hassan, "WLS-TV's tapeless news upgrade," *Broadcast Engineering*, April 1, 2003, which describes the process of digitizing the newsroom of WLS in Chicago, available at http://broadcastengineering.com/ar/broadcasting_wlstvs_tapeless_news/.

4. See James Careless, "News sets on a budget," *Digital TV*, January 2003, online at http://digitaltelevision.com/articles/article_145.shtml.

5. See Dwight Crumb, "Centralcasting at WALA-TV," *Broadcast Engineering*, March 1, 2003. The changes at WALA, in Mobile, Ala., have included the installation of robotic cameras on the station's news set in order to eliminate the need for human camera operators. Available at: http://broadcastengineering.com/ar/broadcasting_centralcasting_walatv/.

6. Randy Falco, group president, NBC television network, "NBC overview," presentation, September 19, 2003. Online: http://www.ge.com/files/usa/company/investor/downloads/091903_nbc_handout.pdf.

7. See Daisy Whitney, "Centralcasting on the move," *Electronic Media*, January 27, 2003, available at <http://www.tvweek.com/newspro/012703centralcasting.html>.

8. Digital television is not the same thing as high-definition television. High-definition television sets have the ability to display digital-quality content (such as DVDs), but they require special tuners in order to receive digital broadcast signals. According to industry estimates only 1 in 4 high-definition television sets is being sold with a digital tuner.

9. See Brad Schultz, "Digital TV conversion still mired in uncertainty," *RTNDA Communicator*, April 2003, online at <http://www.rtnf.org/technology/dtcsmiu.pdf>.

10. For example, see John Heilemann, "The digital TV giveaway," *Wired*, April 25, 1997, online at <http://www.wired.com/news/politics/0,1283,3399,00.html>.

11. The plan to auction analog spectrum, drawn up in 1997, was intended to be one of the ways in which Congress balanced the budget. See Brad King, "If DTV's busted, so is the budget," *Wired*, August 6, 2002, online at <http://www.wired.com/news/digiwood/0,1412,54332,00.html>.

12. See Stephen Chiger, "FCC throws its weight behind DTV," *Medill News Service*, August 8, 2002.

13. See Paul Davidson, "Local stations multicast multishows," *USA Today*, January 28, 2004, online at http://www.usatoday.com/money/media/2004-01-28-multicast_x.htm.

14. Cable boxes have the technological capacity to block subscribers from seeing more than one local newscast, which is impossible with over-the-air signals.

15. See GAO Reports, "Additional Federal Efforts Could Help Advance Digital Television Transition," November 8, 2002, p. 15, online at <http://www.gao.gov/new.items/d037.pdf>.

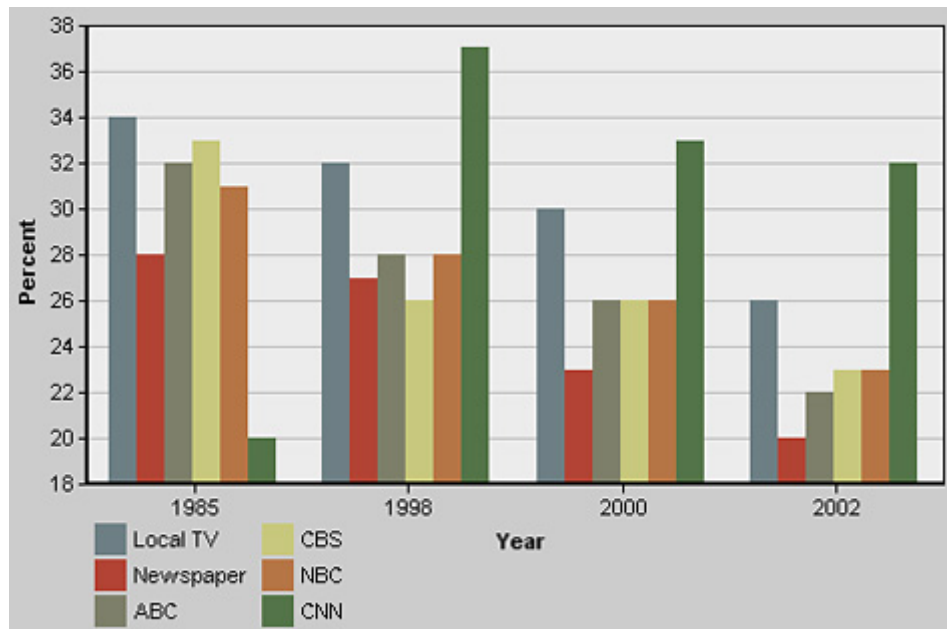
Public Attitudes

Public Attitudes

Amid everything one can say about local television news, the most striking public attitude toward local television is trust. Over the years survey after survey have shown a consistent pattern: when asked to rate different news mediums, people generally trust local television more than any other type of news. (When it comes to individual channels, CNN has come to be considered more credible, according to surveys.)

Believability of News Media

Percent of public rating medium highly believable, 1985 to 2002



Design Your Own Chart

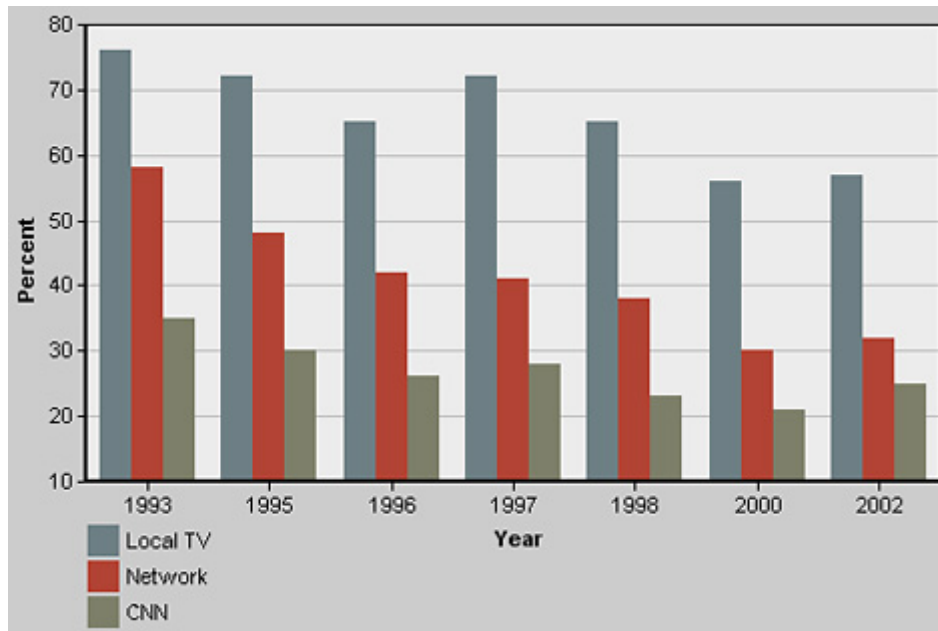
Source: Pew Research Center for the People and the Press, "News Media's Improved Image Proves Short-Lived," August 4, 2002

* Survey question: "How would you rate the believability of (item) on [a] scale of 4 to 1?"

While local television news still outpolls the broadcast news divisions and local newspapers for believability, the public's trust is diminishing. In 1985, a third of the public (34 percent) said they could believe "all or most" of what they saw on local television news. In 2002, that had declined to one-fourth of the public (26 percent). 1

The surveys also support what was indicated by the Nielsen ratings data. The public continues to turn to local television news more than any other television news source, but its influence is waning. In 1993, 76 percent of the public said they "regularly" turned to local television news for information. By 2002, that figure had fallen to 57 percent. Nonetheless, local television holds a large lead over its closest competitor, network television news. In 1993, 58 percent of the public turned to network news "regularly," but that fell to 32 percent by 2002. 2

Percent of People Regularly Using Specific News Media
1993 to 2002



Design Your Own Chart

Source: Pew Research Center for the People and the Press, “Public’s News Habits Little Changed by September 11,” June 9, 2002

* Survey question: “Now I’d like to know how often you watch or listen to certain TV and radio programs. For each that I read, tell me if you watch or listen to it regularly, sometimes, hardly ever, or never.”

There are some other reasons, perhaps, for local news professionals to be wary when public attitudes toward the medium are examined. There is a big gap – and a potential problem for journalists – between what the public thinks of local television journalism and what the people who produce it think.

A large portion of the public, for instance, thinks think powerful outside forces – such as advertisers – “improperly influence” what news professionals present on broadcasts. Large numbers also do not feel that television news addresses their concerns. The television news people do not think there is any problem.

In some cases, the gap in perception between viewers and journalists about local television news is so large that, regardless of which group is right, the gap itself is a problem that needs to be addressed. Yet the fact that journalists seem so self-satisfied raises questions about whether they are ready to deal with it.

The gap is probably most noticeable when it comes to the question of outside forces improperly influencing newscasts. Fully 42 percent of the public think advertisers improperly influence the news, according to surveys from Bob Papper at Ball State University. And 40 percent think station owners do. 3

Yet only 6 percent of news directors perceive improper influence by advertisers and only 7 percent by owners. Do the news directors think there is no influence, or only that that influence is not improper? It isn’t clear.

There are gaps in perception between the two groups of 36 and 33 percentage points. Even if one assumes the news directors are right and the public is wrong, this represents a serious perception problem for local television news.

Percent of General Public and News Directors Saying Local TV News Is “Often” Influenced by Specific Groups/Individuals

	General Public	News Directors	Margin
Advertisers	42%	6%	36%
Station Owners	40	7	33
Big Business	37	7	30
Elected Officials	30	7	23
Federal Government	28	5	23
Interest Groups	27	8	19

Source: Radio-Television News Directors Foundation, “2003 Local Television News Study of News Directors and the American Public”

There is a similar perception gap over the question of whether local television news responds to viewer concerns. Fully four out of ten viewers (41 percent) think it does not or are unsure. Yet a whopping 95 percent of news directors think the industry does. When survey researchers asked people who had contacted a local television news station about having a concern addressed, respondents said by a 3-to-1 margin that the station had failed to do so.

The public is also much more likely than news directors to believe that television reporters allow their personal opinions to affect how they cover the news: Nearly a quarter of the people (22 percent) say they think the local television news reporters are “often” biased in their reporting, and 42 percent think it “sometimes” happens.

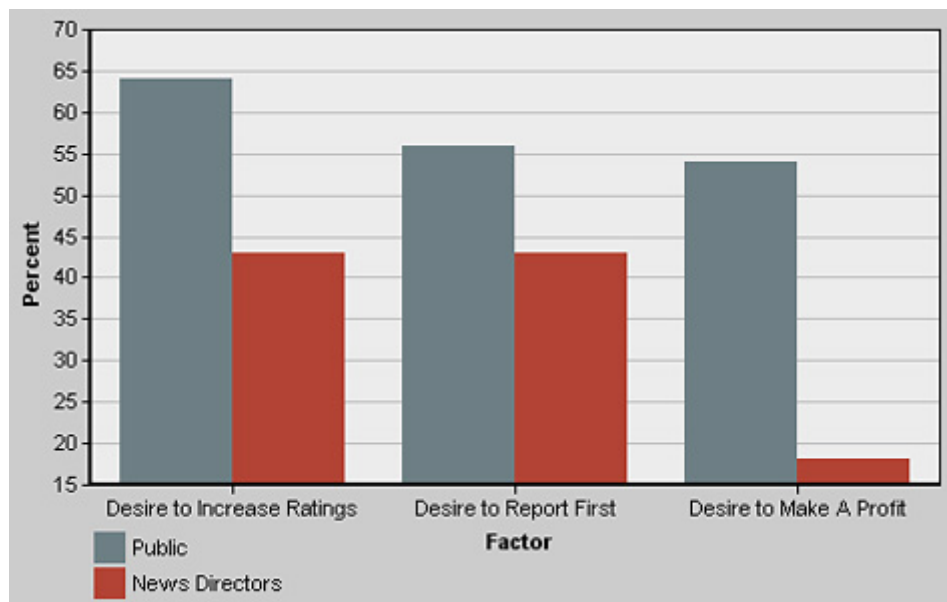
Yet only 8 percent of news directors see bias as a frequent problem and 46 percent see it as an occasional problem.

Finally, part of the perception gap concerns the ability of local news to handle complex issues. A majority of the public (52%) tend to think (“strongly or mildly agree”) local television news shies away from the complex, compared with 30% of news directors.

There is consensus in the research about what people want from local television. When asked what one quality they would like their local television newscast to emphasize, both the public and news directors put “thorough and complete” coverage of important local stories as their No. 1 priority, with 53 percent of the public putting this first and 71 percent of news directors putting it first. But the public is more likely than news directors to say that they wish their local news broadcast would emphasize investigations and be unafraid “to take on powerful people and business.” Twenty-nine percent of the public said that would be their first choice in a newscast, while only 16 percent of news directors would make that their first priority.

Factors Often Influencing Local TV News

General public opinion vs. news director opinion



Design Your Own Chart

Source: Radio-Television News Directors Foundation, “2003 Local Television News Study of News Directors and the American Public”

Footnotes

1. Pew Research Center, “News media’s improved image proves short-lived,” August 4, 2002, 2002 Believability Survey Final Topline, question 9, online at <http://people-press.org/reports/print.php3?PageID=631>.
2. Pew Research Center, “Public’s news habits little changed by September 11,” June 9, 2002, 2002 Biennial Media Consumption Survey, question 20, online at <http://people-press.org/reports/print.php3?PageID=618>.
3. All references in this section are to Radio-Television News Directors Foundation (RTNDF), “2003 Local Television News Study of News Directors and the American Public,” online at <http://www.rtnf.org/ethics/2003survey.pdf>

Conclusion

Conclusion

In the end, the issue for local television is similar to that for newspapers. It is such a robust business that declining viewership has not hurt revenues. Yet even more than newspapers, local television news invests little in improving the product. Most of the investment going on is technological and has been mandated by the government in exchange for bandwidth.

Yet the product is getting thinner, and newsrooms are clearly being stretched. Now that local television news is losing viewers as fast as the networks, that basic business approach seems questionable. Television, moreover, appears to be hurt more by the Internet than print, and clearly the potential of local news Internet sites raises that threat even more. The Internet will allow a print outlet in a town to challenge the greatest assets of the local television station - immediacy, availability and the ability to update.

The answer would seem to be convergence and improving the product. The industry seems disposed to do the convergence, but there is too little evidence that it is committed to improvements. Indeed, most of the evidence would seem to suggest the opposite.

Magazines – Intro

By the Project for Excellence in Journalism

Intro

Magazines often are harbingers of change. When large social, economic or technological shifts begin to reshape the culture, magazines frequently are the first media to move, and the structure of the industry is one reason. Unlike newspapers, most magazines are not so tied to a specific geographic area, but are instead centered on interests or niches. Writers are looking for trends. Publishers can more quickly than in other media add and subtract titles aimed at specific audience segments or interests. Advertisers, in turn, can take their dollars to hot titles of the moment aimed at particular demographics.

One can, if careful, look at what is happening in the magazine industry and get a reasonably good idea of what the culture at large is interested in and where it may be heading. Magazines 40 years ago, for instance, signaled early signs of the social fragmentation so commonly understood today with the decline of general interest magazines like *Look* and the rise of specialty magazines like *Psychology Today*.

What do magazines tell us about the culture today and the future of magazine journalism, particularly news?

First, the news agenda has gotten softer and more oriented to lifestyle rather than traditional hard news.

Second, the audience for news in magazines is fragmenting. The large, well-known general interest news weeklies continue on their mission of reaching a mass audience with fair to moderate success. But a small group of news magazines with a very different approach to the coverage, such as *The Atlantic*, is seeing gains. These magazines have eschewed the conventional wisdom about the need for more pictures and lighter stories. Instead they rely on fewer photos and deal with serious topics. Aimed at a more educated audience, they seem less concerned with getting as many readers as possible and are more focused on getting the right readers. They come out just once a month and charge more per subscription, yet their circulation is growing. Their ad revenues are not near the mass-market competitors, but they are growing.

Beyond these overarching shifts, other magazine trends emerge in the data:

- The overall number of magazines is growing, but much of that is occurring in niche service magazines such as child care, travel or bicycling.
- The largest and most powerful magazine owners are largely not involved in the service niche. Instead, they are heavily invested in pop culture and entertainment magazines, which have also seen large growth in the last decade.
- There is less interest at the corporate level in traditional news. With a few relatively minor exceptions, publishers are not launching new titles. Among the magazines that exist the audience is flat even as the population grows.
- Perhaps as a result, coverage in the general interest news weeklies (*Time*, *Newsweek* and *U.S. News & World Report*) is edging into lighter areas such as pop culture, health and service. To survive, they are becoming less specialized experts in anything and more a lighter version on every topic.
- The vast majority of the high-profile opinion-making magazines – everything from *Time* to *Esquire* to *Vanity Fair* – are owned by one of three big media companies.

Overall, the magazine industry is healthy, but its landscape is very different than it was even 10 years ago, let alone 20.

Content Analysis

Content Analysis

What are Americans getting from news magazines going into 2004?

The short answer:

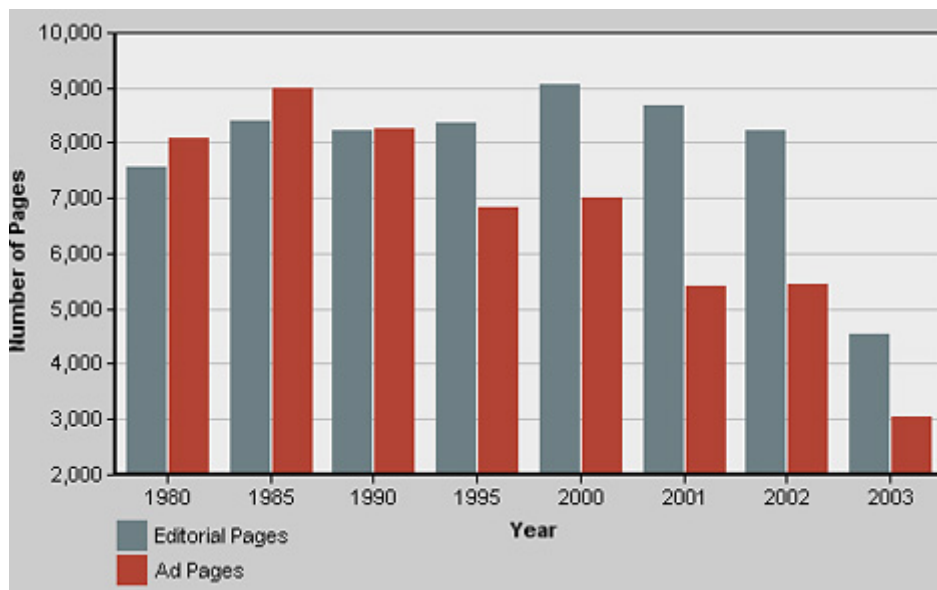
- News magazines have bucked the trend toward specialization by becoming softer in content and specializing in little, not even hard news.
- The big three magazines have split into more distinct personalities.
- Newsweek has become the least traditional or serious while U.S. News sits at the other end of the spectrum and Time lies in between.

To get a sense of how magazine journalism has changed, we looked at the content of the three longstanding weekly news magazines. First, we examined 20-year data from Hall's Reports, a Stamford, Conn.-based research firm which measures the number of editorial pages in the magazines by category – national affairs, culture and business. The data indicate that these magazines are very different publications from each other and very different than they used to be. At a time when the industry trend overall has been toward niche publications, news magazines have actually become more general. No longer summaries of the week's hard news – a chronicling of the significant events in the nation and world, they now do a bit of everything, and do very little as in depth as they once did. The expansion of coverage has come in particular at the expense of what is considered more traditional news of government, public policy and the economy. In some ways, the news magazines might be analogous to the morning news shows on television, a hybrid assimilating a little of all styles in one place.

First, there are more pages of editorial content. Editorial pages have increased 9 percent since 1980, even as ad pages have declined, according to data from Hall's Reports. ¹

Number of Pages in News Magazines

Advertising and editorial in Time, Newsweek and U.S. News



Design Your Own Chart

Hall's Media Research unpublished data

* 2003 data is January to July

What is in those pages has also changed. Pages devoted to national affairs, for instance, dropped by 25 percent from 1980 to the first half of 2003, according to Hall's. There is less news on high culture such as museum reviews (13 percent

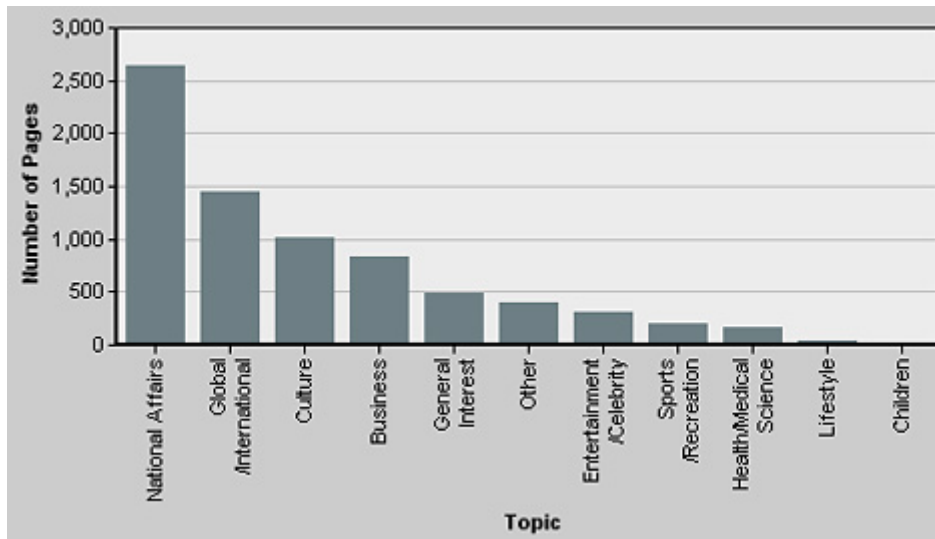
in 1980 versus 10 percent in 2003), and, perhaps surprisingly, a smaller percent of pages devoted to business (11 percent versus 9 percent). 2

The number of pages devoted to international news dropped off significantly after the collapse of communism but in 2003 has risen back up, due in large part to September 11th and the war in Iraq, to roughly the same level as in 1980. 3

What subjects now take up the pages? The space devoted to entertainment and celebrity stories have roughly doubled since 1980 (and now account for 7 percent of the pages). 4 Lifestyle coverage has grown from a scant 1 percent in 1980 to 4 percent in 2003 . Health news, which often translates to news you can use rather than medical science, has more than quadrupled (from 2 percent in 1980 to 9 percent in 2003). 5 The three news magazines, particularly Time and Newsweek, have added pages directly from the genres that have seen the largest rise in circulation. 6 (See Magazine Audience)

News Magazine Pages by Topic, 1980

Time, Newsweek and U.S. News, total pages

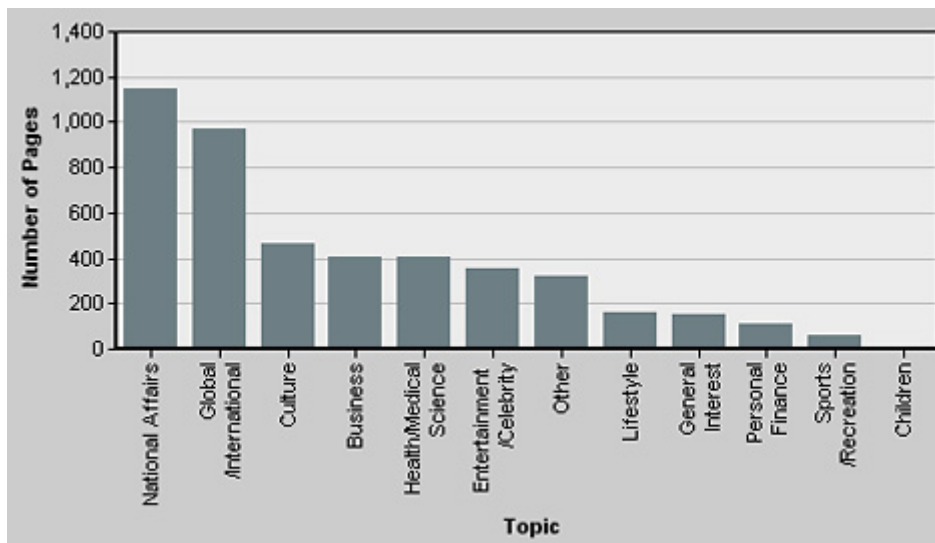


Design Your Own Chart

Hall's Media Research unpublished data

News Magazine Pages by Topic, 2003

Time, Newsweek and U.S. News, total pages



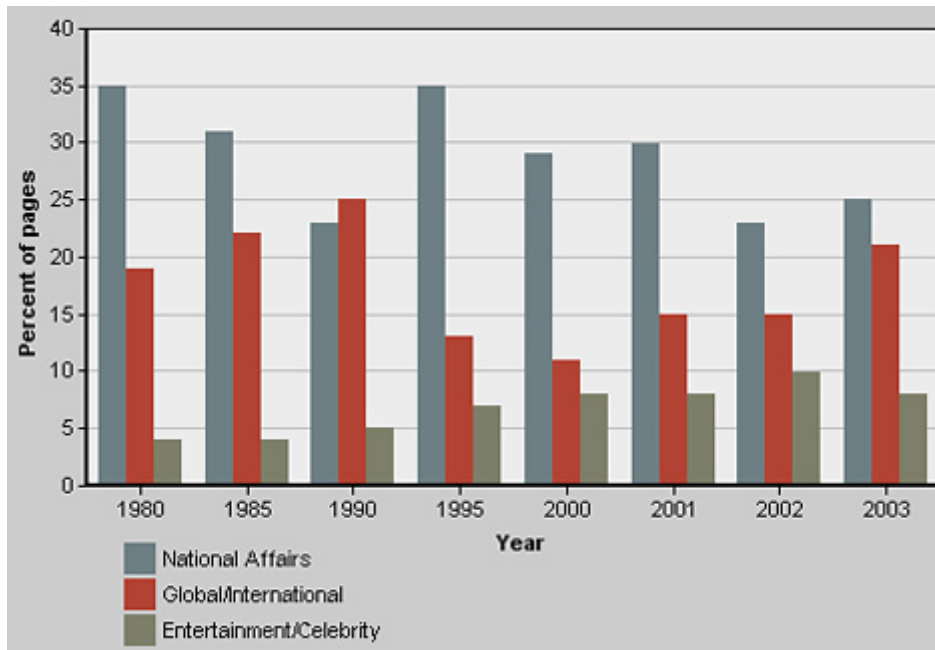
Design Your Own Chart

Hall's Media Research unpublished data

* 2003 data is January – July

News Magazine Pages by Topic

Select years 1980 – 2003, Time, Newsweek and U.S. News



Design Your Own Chart

Hall's Media Research unpublished data

* 2003 figures January – July

A Closer Look At 2003

In addition to the longitudinal data from Hall's about what topics got the most space, we wanted to take a closer look at the news magazine genre in 2003.

To do so, the Project did two analyses. First, it analyzed the cover stories of all three magazines for the year – January through the first of December. Next, it analyzed in greater detail every story in each of the magazines for four weeks of the year, corresponding to the weeks studied for other media in this report.

What we found on one level reaffirmed Hall's research: today news magazines offer a little of everything and none of the magazines anymore can be described as a summary of the week's news. ⁷

But there are three distinct personalities now between the three magazines, perhaps more than there once was.

U.S. News & World Report, the smallest of the three in circulation and in ad revenue (See *Magazine Audience and Economics*), is the most information-laden, the most likely to highlight traditional hard news topics and the most likely to report in a neutral manner – a more straightforward accounting of the facts of events with less of a writer's "take" or opinion on what those events mean.

Newsweek is lighter, more oriented toward lifestyle and celebrity coverage, and more likely to publish stories that contain an emotional component.

Time magazine is something of a hybrid between the two. Its content is more like U.S. News' – neutral and information driven. Its covers, on the other hand, look a good deal more like Newsweek's – highlighting lifestyle and entertainment.

The Year in Covers

These distinct personalities are particularly evident in the 2003 covers. The situation in Iraq was the most common cover story of the year at all three magazines. Time put the war on the cover 15 times (out of 48 issues studied), Newsweek 14 times, and U.S. News 12.

But after that, differences emerge. Aside from Iraq, for instance, Time and Newsweek were most likely to go with a lifestyle cover, such as health, dieting, or the outbreak of severe acute respiratory syndrome, or SARS. Newsweek had 11

such covers, Time 10. U.S. News, by contrast, had half as many, 5.

The lifestyle topics in Time and Newsweek, moreover, often were about how Americans behave: “She works, he doesn’t” (Newsweek) or “The Secrets of Eating Smarter.” When U.S. News did a lifestyle cover, it often tended toward a reference issue one might keep, such as an annual career guide or a consumer survival guide.

At U.S. News, rather than lifestyle, the second most common cover topic was a domestic social issue or historical matter, such as a cover package of stories about anti-Semitism in America, oceanic pollution, architecture or the history of flight. It had 10 such covers. Time had just one domestic issue cover (about health care). Newsweek had five.

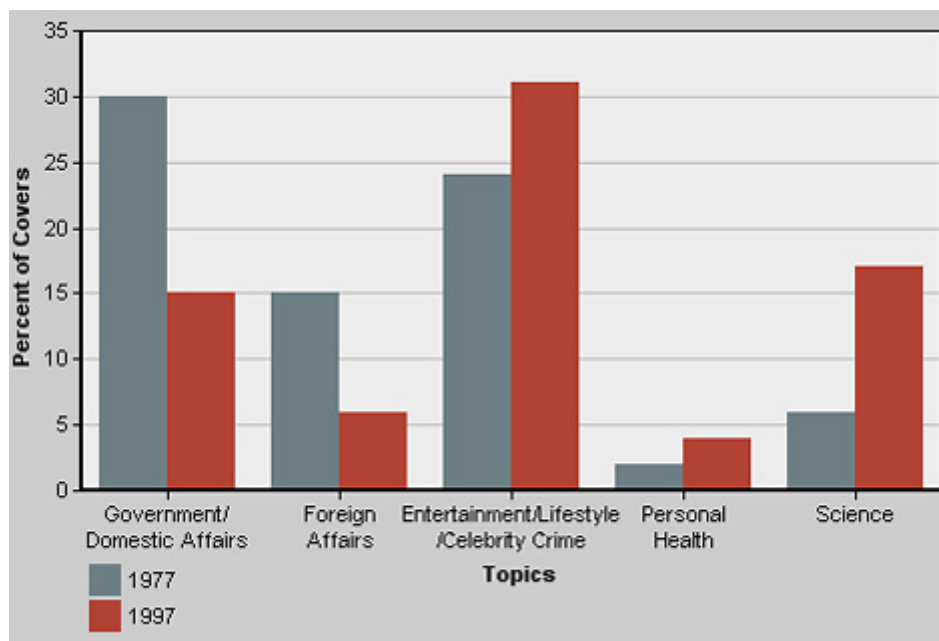
Add in the economy, and the differences between the three are more pronounced. U.S. News did two covers on the economy. Neither Time nor Newsweek did any during the 48 weeks.

U.S. News also stands out in its treatment of popular culture and celebrity. Time and Newsweek each had four entertainment covers. U.S. News had none.

The covers, too, show a marked shift over time. In an earlier study, PEJ compared the cover stories of Time and Newsweek in 1977 and 1997. Over those twenty years, there was a clear decline in government and domestic affairs covers as well as foreign affairs. Softer news areas like entertainment, personal health and science received more cover play. ⁸ In 2003, the war in Iraq dominated magazine covers throughout the year. Foreign and military coverage together represented 31% of cover stories in 2003 (compared to less than 10% of stories in 1997). Otherwise, trends toward softer news continued as the percent of covers about health rose to 18% at both Time and Newsweek (from 6% and 2% in 1997) and covers devoted to domestic issues like affirmative action and gay marriage fell slightly (from 10% to 8% of cover stories at Newsweek, and from 8% to 4% at Newsweek).

News Magazine Covers by Topic

Time and Newsweek 1977 & 1997



Design Your Own Chart

Project for Excellence in Journalism, “Changing Definitions of News,” March 6, 1998

Topic

Looking more in depth at four issues of each magazine rather than a year of covers, we see other differences among the three magazines. What topics got the most space in the magazines during the weeks studied?

U.S. News, by far, was the most traditional, devoting nearly half of its space, 49 percent, to U.S. government and domestic affairs. These topics took up 26 percent of the space in Newsweek during the weeks studied, and 13 percent in Time.

Newsweek, on the other hand, was the most oriented to entertainment and lifestyle. A full 37 percent of its space was consumed with lifestyle and celebrity stories (versus 31 percent at Time and a mere 6 percent at U.S. News).

What were the lifestyle stories? Newsweek covered the range of lifestyle activities — health trends, sports, travel, religion, cooking, the arts and popular culture. At Time, the bulk of it was pop-cultural trends and it also had more high-culture arts stories.

Time stood out for the space devoted to science and technology, but that is largely due to a cover issue on DNA.

The three publications were virtually identical in their coverage of military and foreign affairs and the situation in Iraq, averaging 29 percent of the space (and 18 percent of stories).

If one looks at the topics in these four issues by number of stories rather than space, the findings are quite similar. The only significant difference is a lower percentage when it comes to the number of domestic and foreign affairs stories and a higher percentage when it comes to the number of lifestyle stories. In other words, there are fewer domestic and foreign affairs stories, but they are longer. There are more lifestyle stories but they are shorter. All other categories are virtually identical in volume and stories.

Story Length

One area where the differences between the magazines may not be quite so predictable was story length. Here, the in-depth four-week study showed that the three magazines had a similar overall space or news hole (averaging 27,000 to 28,000 words per issue). And at all the magazines short stories dominated, more than half being less than 500 words.

In the examination of the data for length, there were no statistically significant differences in the three magazines.

Protagonist

The Project also looked at whether stories were built around a single character or an institution, as opposed to no central protagonist. Who or what, in other words, were the stories emphasizing, if anyone or anything? As a group, the news magazines built 27% of their stories around a single personality, 5% less than newspapers.

Here U.S. News again stood out. It was the least likely to make its stories character-focused, doing so just 19 percent of the time, versus 35 percent for Time and 27 percent for Newsweek.

The news magazines were even less likely to focus their stories around institutions (only 9 percent of stories).

Similar to the findings in other news media, President Bush was not the main protagonist much of the time in the news magazines. Indeed, Time and Newsweek were both more than twice as likely to be focused on an entertainment celebrity as on the president as a main protagonist. This was not the case at U.S. News, where one was about as likely as the other. Bush did not even dominate political coverage at any of the news magazines. The three publications were twice as likely to build their political stories around some other federal official or politician as they were around the president. Apparently, while popular and highly effective politically, Bush is not the kind of character who makes for compelling magazine copy.

Sourcing

In general, readers of the news magazines are told who the sources are. Only 20 percent of all the stories studied contained anonymous sourcing, and many of those were the shorter pieces.

In contrast, more than a quarter of stories (28 percent) contained the highest level of transparent sourcing we counted — four or more sources where the reporter not only identified them by name but also attempted to explain the source's bias or relationship to the subject.

There are some differences among the magazines in sourcing, but only some. Again, reflecting its more traditional or fact-heavy character, U.S. News was the most likely to run stories with four or more fully identified sources (36 percent). Newsweek was the least likely (21 percent).

Iraq Coverage

How did the news magazines cover the situation in Iraq during the weeks studied in depth? None of the issues studied were during combat operations, though two fell in the weeks surrounding battle, February 17 and April 7. (The other two

weeks studied were June 16 and October 6.) In these four issues, the war in Iraq accounted for more than a fifth (22 percent) of all stories and roughly a third (32 percent) of all the space.

These stories were also more likely than others to be long and in depth. Fourteen percent of the Iraq stories were longer than 2,000 words, compared with 6 percent of stories overall. Only a third (34 percent) were 500 words or fewer (versus half overall).

As with the coverage overall, these stories were not generally framed around an institution or a person. Only 3 percent of the Iraq stories in each magazine cast President Bush in the role as protagonist in the story and only 5 percent cast his administration generally as the protagonist. The most likely protagonist was some other federal politician or government official (9 percent).

There were also differences in the way that the three magazines covered the situation. Time devoted the most space to the war, 37 percent, compared to 34 percent for Newsweek and 24 percent for U.S. News. And again, Time had more long stories (seven stories in the four issues studied were more than 2,000 words). Newsweek ran six long stories in the four issues studied and U.S. News ran two long stories.

See end of document for content analysis methodology.

Footnotes

1. Hall's Reports research. Unpublished data. www.hallsreports.com

2. Ibid

3. Ibid

4. Ibid

5. Ibid

6. Ibid

7. "Changing Definitions of News," The Project for Excellence in Journalism, March 6, 1998.
<http://www.journalism.org/resources/research/reports/definitions/default.asp>

8. Changing Definitions of News, Chart "Subject of Front Page and Cover Stories"
<http://www.journalism.org/resources/research/reports/definitions/frontpage.asp>

Audience

Audience

Three trends in news magazine circulation and readership stand out.

First, readership surveys indicate that the audience for news magazines is holding steady, while the audience for pop culture, entertainment and lifestyle magazines is growing. This fits with the trends in ad pages and revenues and suggests one of two things: Either the market for news magazines is more or less at its capacity or the genre needs to be reinvented.

Second, despite changes in content designed to grab younger readers, the audience for news magazines is aging – more than for most other magazine genres. News magazine readers are also more affluent than magazine readers overall, but that is not a big consolation financially. Advertisers are often looking for youth more than money, particularly in general interest magazines like the news weeklies.

Third, while the big three news magazines are finding it hard to increase their circulation, a few smaller circulation books that focus on news and public affairs have found steady growth over the past 15 years. This may suggest that the genre is ripe for change and indeed that the news magazine audience, or at least part of it, is looking for a new approach.

Who is Gaining and Who is Not

Over the past 10 years, there has been a clear division among magazine genres – those that are rising and those that are sitting still. Readership figures from Mediamark Research, the leading U.S. provider of syndicated consumer magazine audience data, indicate that since 1995 the entertainment and pop culture genre has gained popularity. ¹ Interest in the news and business genres has remained flat.

Both news and entertainment magazines trended down in readership from 1995 until 2000. Then both categories began to rise again. But the increase in entertainment magazines was much more substantial, increasing 14 percent from 2000 to 2003. ² News rose only 9 percent in the same period. ³

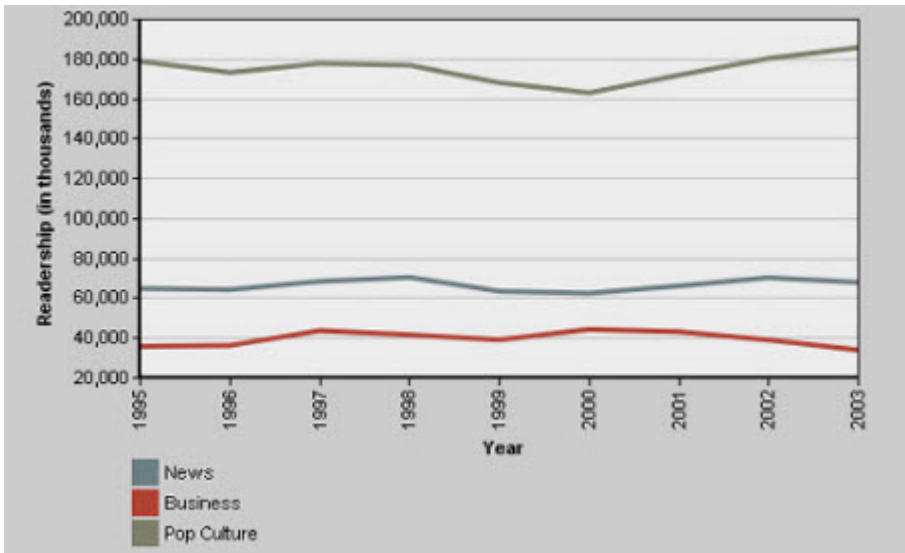
Business magazines followed an opposite course. These magazines grew in readership from 1995, peaked in 2000 and then began to fall off.

Part of this is explained by the dying off of some magazines that were riding the success of the stock market and the technology boom. But other losses may have more to do with the fact that, when the market dipped, people stopped looking at their copies of Forbes and Fortune. For many readers, no news on their 401(k) was better than the bad news.

The figures also may suggest some shifting going on from genre to genre. Readers have only a certain amount of time to devote to magazines. If that time is not going to one genre, it's going to another. News and entertainment benefited from readers turning away from business publications.

But the uptick in entertainment readership is too sharp to be the result of falling business readership alone. It also follows logically another basic theory about media. If more of the media agenda is focused on lifestyle and entertainment, it increases interest in those areas. The media is both reflecting and reinforcing a broader cultural shift toward celebrity, entertainment and infotainment.

Magazine Readership by Select Genre
1995 – 2003



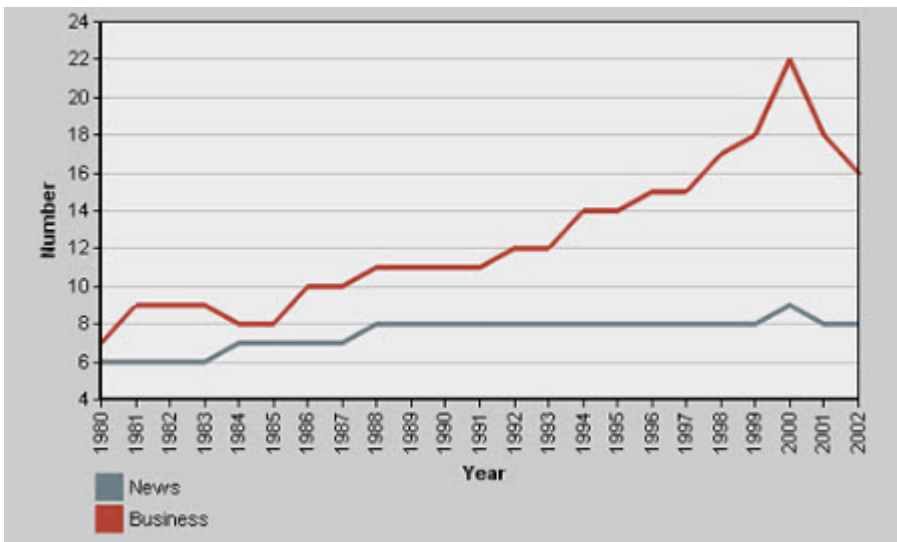
Design Your Own Chart

MediaMark Research, "Magazine Audience Estimates"

* Number of people who have read magazines of each genre in that year

Number of Magazines by Select Genres

1980 – 2002

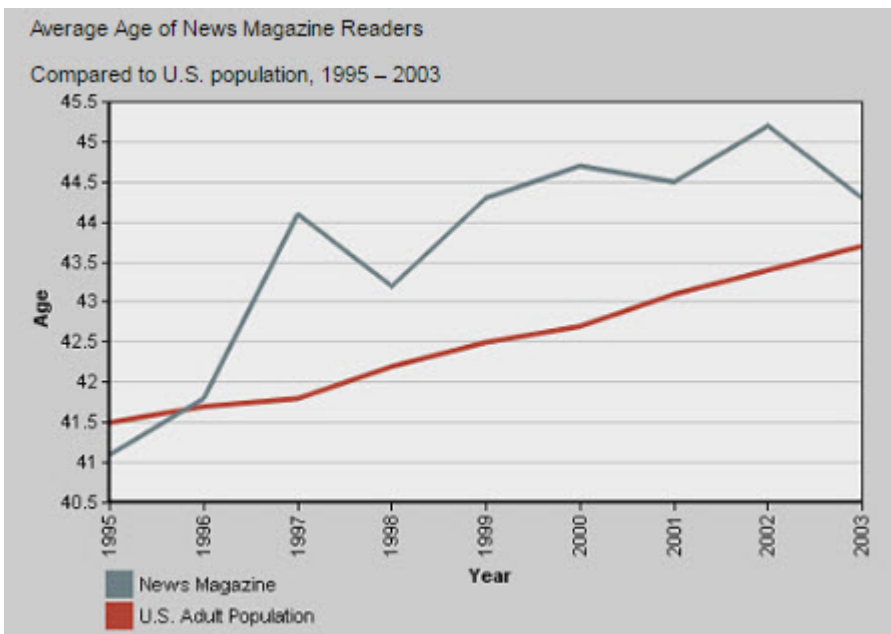


Design Your Own Chart

Publisher's Information Bureau annual reports

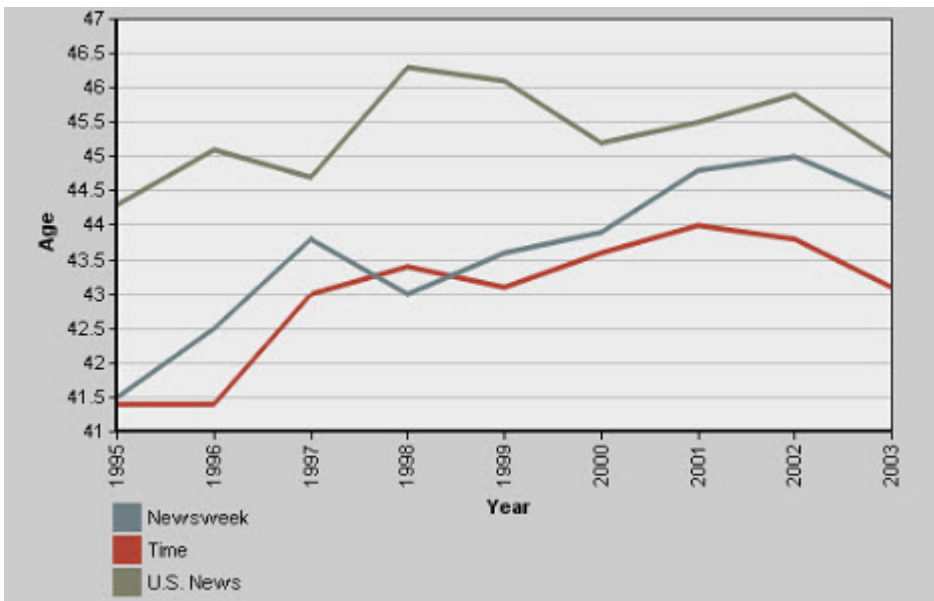
Newsmagazine Demographics: A Graying Market

Other key trends in news magazine readership, according to the Mediamark data, are affluence and age. News magazines are a graying habit. Despite the occasional hiccup in the data, the age gap is quite noticeable. And with few or no new titles entering the news genre, the hopes of significantly lowering the average age will probably go unmet. 4



Design Your Own Chart
 MediaMark Research, "Magazine Audience Estimates"

Average Age of Readership by Magazine
 Time, Newsweek, U.S. News



Design Your Own Chart
 MediaMark Research, "Magazine Audience Estimates"

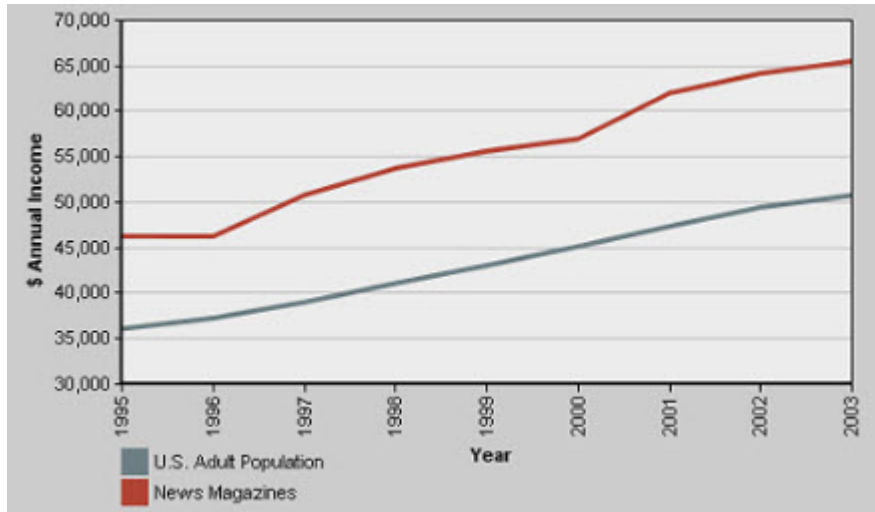
Why does age matter? Advertising. Over the long term the aging of the news audience suggests fewer dollars will likely be flowing to news magazines, which have a higher average age than pop culture magazines. Advertisers, who seem ever-interested in younger demographics, will likely be more interested in spending their money on entertainment and pop titles that reach those target age groups.

Offsetting the "age problem" is that along with age often comes wealth. News readers have much higher income than the U.S. adult population overall and have for some time. In 1995 news magazine readers were 28 percent more affluent than the U.S. adult population, and in 2003 that gap was about the same, 29 percent. 5

The advantage has allowed magazines like Time and Newsweek to charge more for the ads they run. Given that these magazines have had smaller increases in the number of ad pages they run than other magazine categories, this is some consolation.

Average Income of News Magazine Readers

Compared to U.S. population, 1995 – 2003

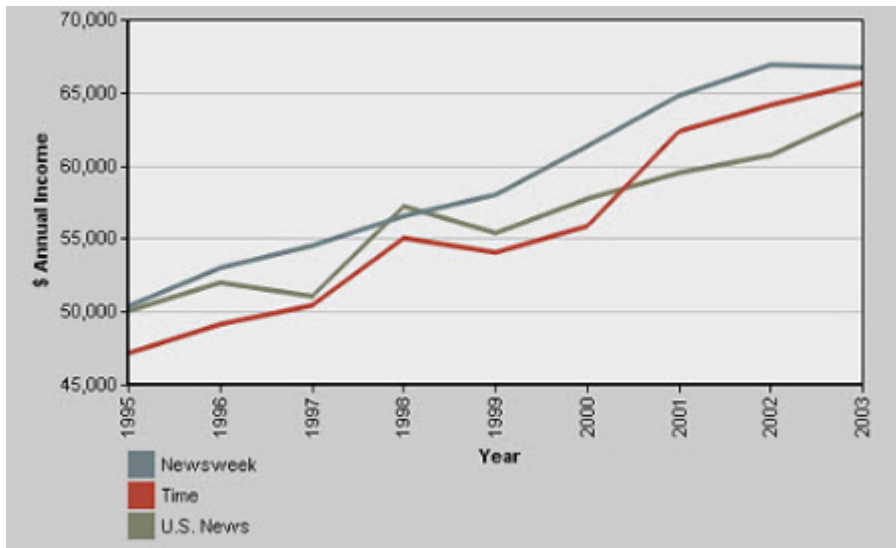


Design Your Own Chart

MediaMark Research, "Magazine Audience Estimates"

Average Income of Readership by Magazine

1995 – 2003



Design Your Own Chart

MediaMark Research, "Magazine Audience Estimates"

More Demographics: The Affluent Boys Club

The readership data on the newsmagazines are not extensive. But combining what we know about the age, sex and income of the readers, one can draw very rough sketches of the audiences here. Among the big three news magazines, readership tends to be male. Time and Newsweek each have about two million more male readers than female, and U.S. News has three million more men than women thumbing through its pages.

Time, the oldest magazine of the three, has the youngest readership, an average age of 43.1 Newsweek is a bit older with an average age of 44.4. And U.S. News is the highest, with an average reader age of 45. 6

Newsweek's readers are slightly more affluent than Time's – average annual incomes of \$66,739 and \$65,697, respectively. U.S. News readers, while still above the industry average as a whole have a slightly lower average income at \$63,603. This finding is surprising because it is generally true that older readers have higher incomes. U.S. News seems to be an exception in this regard. Up until 2001, U.S. News actually had a higher average reader income, but in the past few years its figures have been surpassed by both Time and Newsweek. 7

Outside the Big Three: Younger, Richer, More Female

Move beyond the traditional three news magazines, however, and one can see more differences. Of all those listed in the news magazine category, Jet magazine, a magazine with a predominantly black audience, has by far the youngest readership. In the past decade the average reader age never got above 38.7 years old and some years its average age was in the early 30s. Its readership was also always more female than male, in 2003 it had two million more female readers than males. Among the news magazines examined, Jet also had the lowest median income. In 2003 the median income was \$35,536 – below not only the news magazine average but also below the U.S. adult population average of \$50,760. 8

The New Yorker and The Atlantic have the oldest readerships of any of the news magazines examined – 45.4 years and 50.0 years respectively. But they also had the readers with the highest incomes, by a large margin. Readers of The New Yorker have a median income of \$78,538, about \$12,000 higher than the next nearest news publication, Newsweek. The Atlantic readers' incomes were higher still, an average of \$82,983. That pushes The Atlantic nearly up into the range of readers of business magazines. In terms of gender, The Atlantic's readership tends to be more male than female – 774,000 versus 615,000 in 2003. The opposite is true of the New Yorker, which has a few more women readers – 2.1 million females compared to 1.9 million males. 9

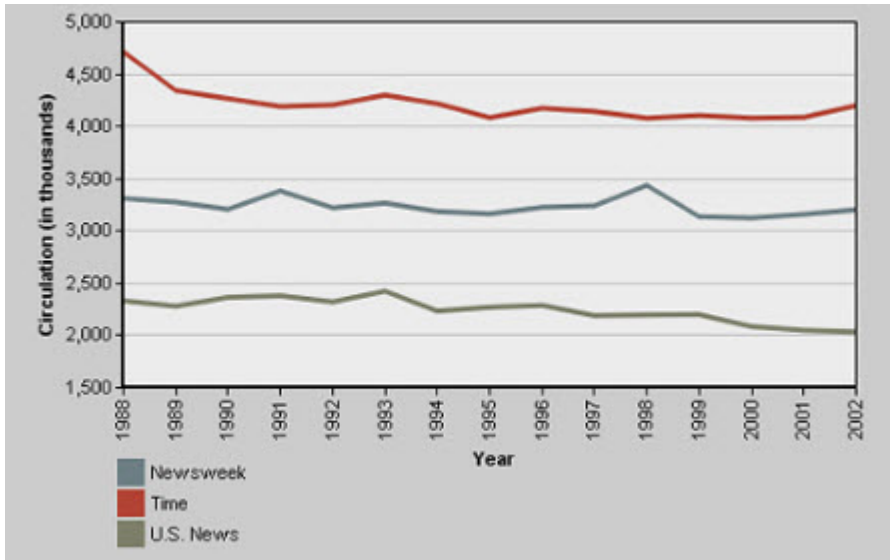
Getting Subscribers

The differences with more specialized news magazines raise another question. While the news magazine category is flat overall, some of these more specialized publications are faring better in keeping readers. An even worse picture is painted, however, for two of the big three news magazines – Time and U.S. News.

Time's circulation has fallen by 13 percent from 1988 to 2002. U.S. News has lost as well, also 13 percent from 1988 to 2003. 10

Newsweek has been the most stable of the three, experiencing a smaller drop of 3 percent in circulation since 1988. This disparity has significantly closed the gap between Newsweek, the historic No. 2, and Time, the long-time genre leader. The gap, 1.4 million in 1988, narrowed to 928,000 in 2001 and may have narrowed even more in 2002. 11 Yet financially, this has not helped Newsweek – or hurt Time — as much as it once might have.

Circulation Among the Big Three News Magazines 1988 – 2002



Design Your Own Chart

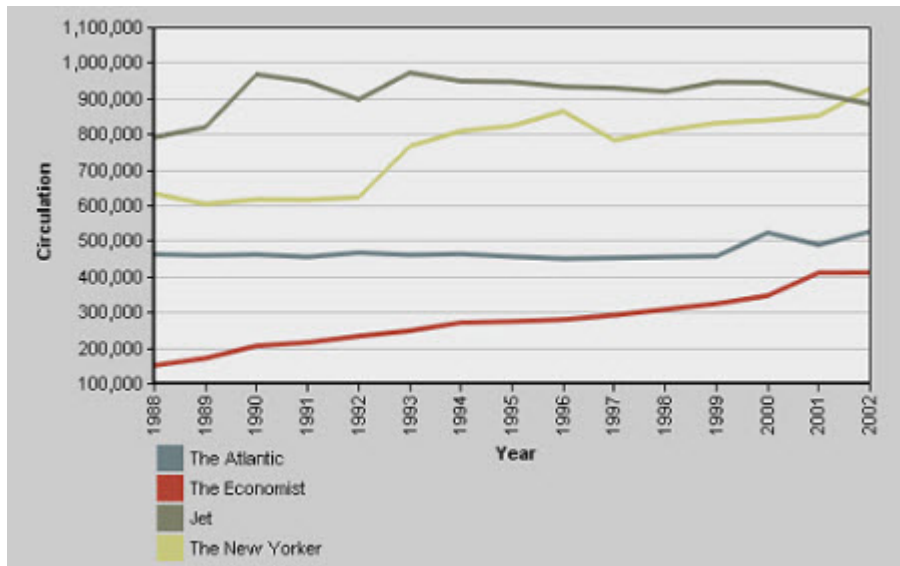
Audit Bureau of Circulations, annual audit reports

* Circulation figures are averages for the second quarter annually

The circulation losses have occurred despite the fact that these magazines have changed format and content to try to hold on to readers and to attract the much valued youth demographic. Pictures are larger and stories are often shorter in an attempt to lure the MTV generation and its more visual sensibility. Graphics have also become a larger part of all of the big three.

Circulations of Other News Magazines

1988 – 2002



Design Your Own Chart

Audit Bureau of Circulations, annual audit reports

* The Atlantic is a monthly magazine

At the same time, however, the circulation trends among the smaller, more specialized news magazines are all up, some slightly, some more sharply, and these among publications that have not lightened their fare as much. Again, of particular note are The Economist and The New Yorker.

While there may be some question as to whether The New Yorker publishes a product that is similar in format to a traditional news weekly, the same argument cannot be made about The Economist, which has seen its subscriber base more than double in the past 15 years. 12 And it has done it with a decidedly different approach than the big three..

The circulation numbers are particularly telling, considering the fact that magazines often “buy” circulation. Publications sometimes make their subscription prices so low that many readers simply find them too low to resist. On top of the discounts, publications can do enough promotions, mailings and gift giveaways that they can pretty much control the amount of circulation they will gain and, to some extent, where they will gain it. The idea is to attract readers – and certain kinds of readers – in order to get higher circulation numbers that command higher ad rates. All of the big three magazines employ this technique. Subscription cards in Newsweek, for instance, offer a year of the magazine home-delivered for \$42, a savings of \$209 or 80 percent off the cover price. The question is whether it is worth the money. That depends in part on whether the new readership is converted into more ad revenue. It also depends on how much a magazine has to spend to maintain its circulation base. How many existing readers is it retaining, versus new readers it has to attract, to hold its overall numbers?

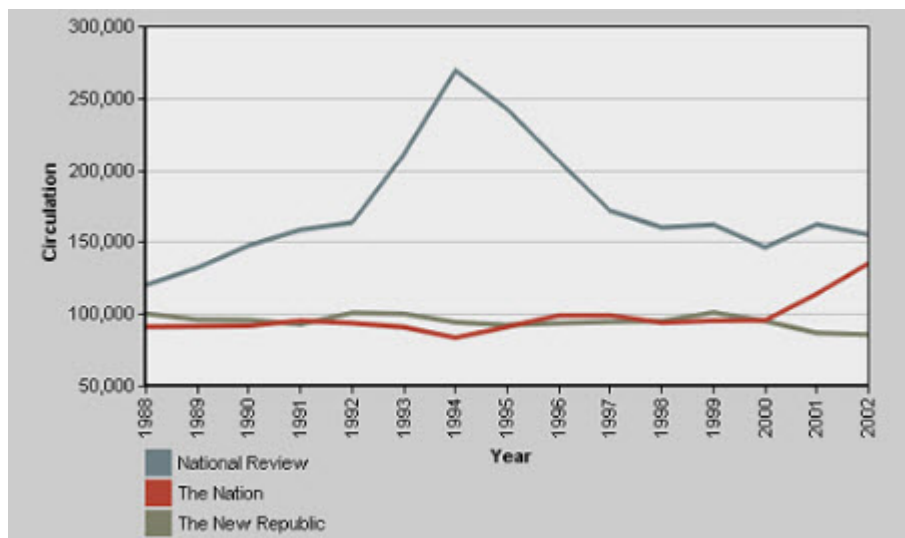
On the other hand, The Economist has had its circulation rise although its subscription prices far outstrip the big three. According to subscription cards, a 51 percent discounted annual subscription rate of The Economist still comes to \$129, a bit more than triple the discount card of Newsweek.

The Opinion News Magazines

The other end of the news magazine universe is a group of magazines whose importance may have more to do with influence than economics. These are the nation’s major opinion news journals, from The Nation on the left to National Review on the right. Looking at the circulation of these sorts of journals over the past 15 years, one trend is particularly notable. There seems to be an inverse relationship between which party controls the political dialogue in Washington and the circulation of opposition magazines. The last few years have been very good to the liberal Nation. Its 2002 circulation was up to more than 135,000, and increase of 40,000 (42 percent) since the election of George W. Bush in 2000. At the same time, the conservative National Review has seen its circulation fall almost 40 percent (to 114,082) since its high point in 1994, when anger over the presidency of Bill Clinton led to the elections in which the Republicans took control of the House of Representatives.

Circulations of Leading Opinion Magazines

1988 – 2002



Design Your Own Chart

Audit Bureau of Circulation, annual audit reports

The New Republic has been relatively immune from this roller coaster effect. Its circulation is relatively unchanged over the past 15 years. It has experienced a slight drop in circulation, perhaps in part because of a string of problems it has faced ranging from the changes in the magazine’s editorial staff (the loss of big-name writing talent), to its less-than-

celebrated redesign, to the problems it faced with Stephen Glass, a reporter who made up articles out of whole cloth, to fluctuating changes in its overt political ideology. But as *The New Republic* has become less overtly partisan, it may also have less appeal to any particular political constituency and for that reason it may be missing out on the circulation increase it could have as a voice for the loyal opposition to the Bush Administration. (The country's other influential conservative news-opinion magazine, *The Weekly Standard*, is not included in these figures because it has chosen to opt out of the ABC audits).

The circulation gains that seem to come with being the loyal opposition put the news/opinion journals in an odd position. They get the most readers when the views they espouse are out of fashion in the town that matters to them most, Washington. It makes some sense. When one party loses control of the political scene, it is standard practice that its members wander the wilds of policy-journals and hash out what exactly they believe, why they lost control and how to get it back. The opposition opinion journals are, in effect, needed more when their side of the political spectrum is in a funk.

These journals' successes are probably best measured not in economic terms but in the pull they have inside the Beltway. That is quite difficult to measure numerically. Circulation is only one proxy.

Conclusions

The circulation numbers for the magazine industry make one thing clear: The news genre may not be dead, but growth and energy is outside the traditional big three news magazines. Whether that is a permanent condition, or a reflection of their current hybrid format, is a question that cannot be answered here. But the attempts by these magazines to become younger by becoming lighter do not, according to the numbers, seem to be working. Magazines that have a little of everything but specialize in little are not where the growth in readership seems to be. Magazines that are more serious, like *The New Yorker*, or more strictly entertainment-oriented, like *In Style*, are hotter. And magazines of ideas – and of opposition – seem to endure in having a place at the table. One question is whether bloggers, those little-read but influential writers of opinion on the Internet, will chew away at magazine audiences. So far, there is no measurable sign of that.

Footnotes

1. The figures are based on an annual "Magazine Audience Estimate" of 20,000 readers done by Mediamark Research off a list of magazines the research firm selects. Their list included six magazines that fell into our news magazine category: *Time*, *Newsweek*, *U.S. News and World Report*, *The New Yorker*, *The Atlantic* and *Jet*. Thus, *The Economist* and *National Journal* are not included in the data. www.mediamark.com

2. Mediamark Research, "Magazine Audience Estimates" 1995 – 2003. www.mediamark.com

3. Ibid

4. There are two outlier magazines when it comes to age. One is *The Atlantic*, whose audience skews older, and was added to the genre in 1997. And the audience for *Jet*, on the other hand, is significantly younger than other news magazines and has been included in the genre for as far back as we have data. An immediate spike in age occurs in 1997 with the addition of *The Atlantic*, but overall the two balance each other out. In fact, if we remove the two outliers, the average age for news magazines gets even older and the gap wider.

5. Mediamark Research, "Magazine Audience Estimates" 1995 – 2003. www.mediamark.com

6. Ibid

7. Ibid

8. Ibid

9. Ibid

10. Audit Bureau of Circulations, year end figures from "Audit Report"s for magazines cited, www.accessabc.com

11. Ibid

12. Ibid

Economics

Economics

Data on the economics of news magazines reveal three notable trends.

First, while other genres have improved financially, news magazines have remained stagnant in terms of the ad pages they sell. In part this may be due to the fact that the news genre, unlike others, has not added any wildly successful books in the last decade.

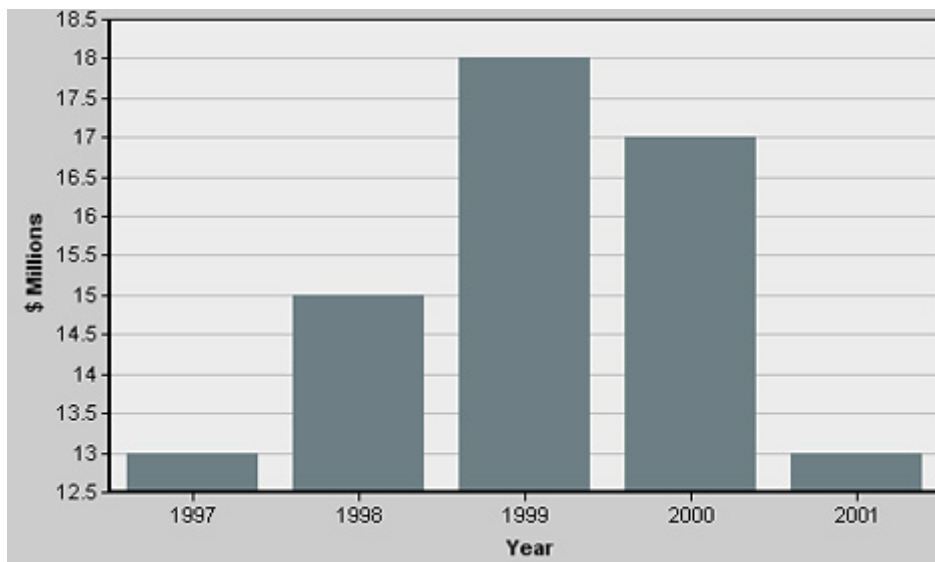
Second, among the big three news magazines, there has been something of a shaking out. While the three were bunched together in ad page sales in the mid-90s, Time has now established itself as the clear leader, with Newsweek a strong second. U.S. News & World Report is third and losing ground. Some of Time's growth may be due to its ability to sell ad packages to several books as part of the Time Warner empire.

Third, The Economist and to a lesser extent, The New Yorker, are the two news magazines enjoying growth in ad pages and revenue. In the past 15 years, their revenues have more than doubled and their ad pages are neck-and-neck with genre leader Time – though The New Yorker has long been an ad page leader, this is a new development for The Economist. 1

The Industry as a Whole

Overall, the economic figures for the magazine industry look relatively stable. But looking deeper, there are some noticeable trends over the past 20 years and, more particularly the last decade, which bear notice.

Operating Profit for the 'Average Magazine'

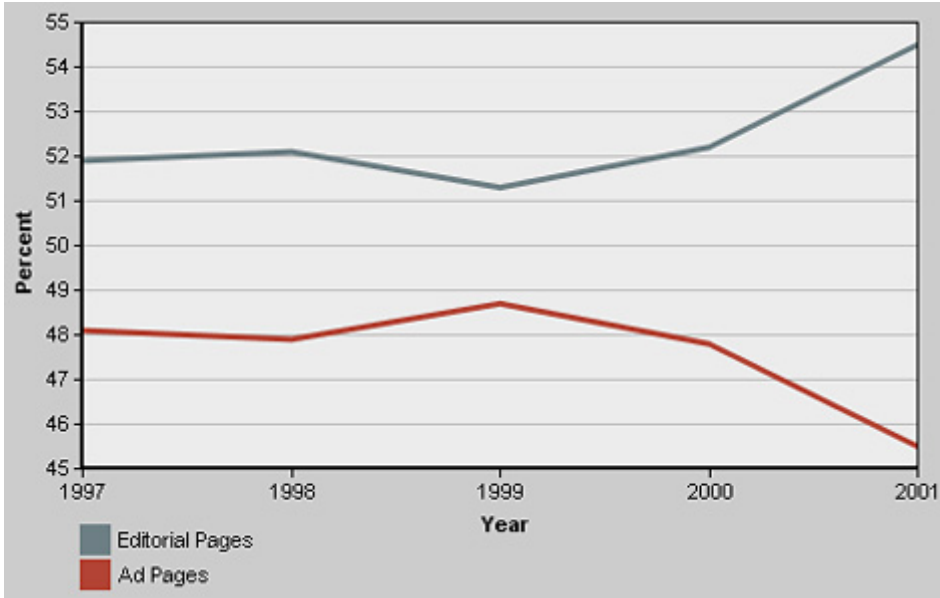


Design Your Own Chart

Magazine Publishers of America, Financial Review of Consumer Magazines 2001

* "Average Magazine" is an MPA composite of 65 different publications

Ratio of Ad to Editorial Pages in the 'Average Magazine'
1997 – 2001



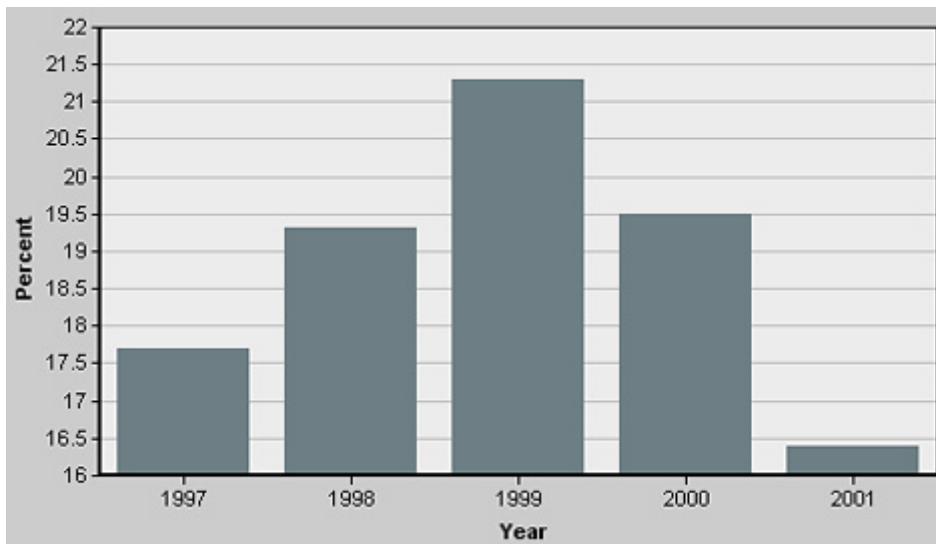
Design Your Own Chart

Magazine Publishers of America, Financial Review of Consumer Magazines 2001

* "Average Magazine" is an MPA composite of 65 different publications

Profit Margin of the 'Average Magazine'

1997 – 2001

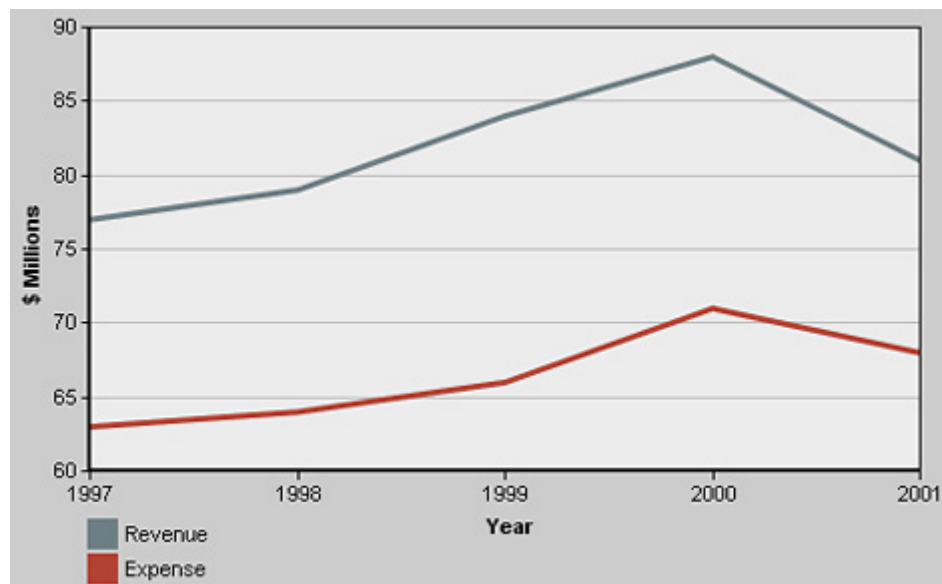


Design Your Own Chart

Magazine Publishers of America, Financial Review of Consumer Magazines 2001

* "Average Magazine" is an MPA composite of 65 different publications

Average Magazine' Revenues and Expenditures 1997 – 2001



Design Your Own Chart

Magazine Publishers of America, Financial Review of Consumer Magazines 2001

* "Average Magazine" is an MPA composite of 65 different publications

A look at the "average magazine," a Magazine Publishers of America composite of 65 publications, shows a healthy industry as of 2001.

While revenues and profits took a hit with the recession of 2000-01, profit margins stayed above 15 percent. Average profits never fell below \$13 million. ²

Even more encouraging for journalists, publishers during the recession did not allow a smaller volume of ad pages to dig too hard into editorial pages. The "average magazine" was thinner in 2001 than in 2000 – 158 pages versus 174 pages the previous year – but considering the drop in ad pages due to the weak economy, it could have been worse. ³ As ad pages fell in 2001, publishers allowed editorial pages to increase as a percentage of total pages. Some analysts also suggested that magazines might have benefited economically after September 11 through more newsstand sales, which bring in more profit than subscriptions. The terrorist attacks also may have led editors and publishers to publish more news pages, since events were so momentous.

The Numbers by Genre

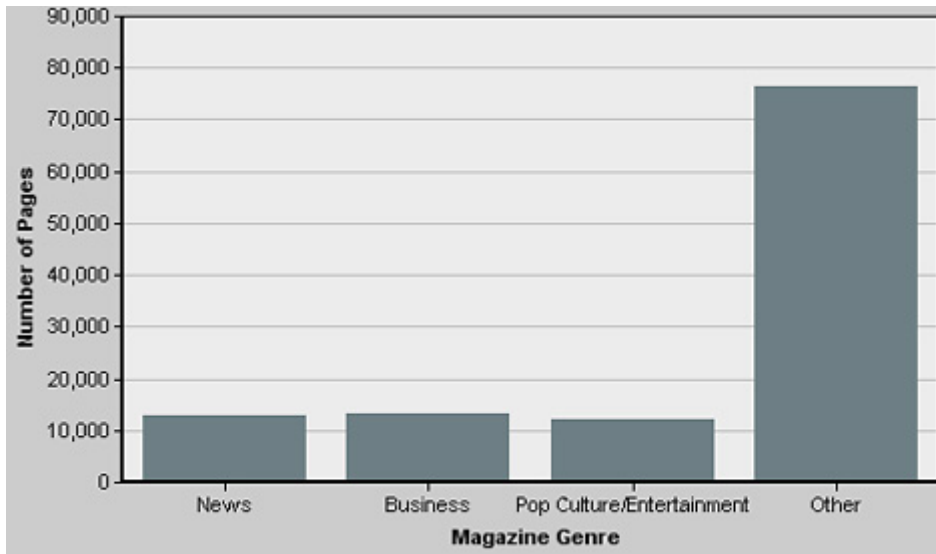
Some genres, however, are much healthier than others and over the last decade the differences have become even clearer. The Publishers Information Bureau collects ad page and dollar figures for companies representing 85 percent of consumer magazine advertising volume in the United States. ⁴ To examine their data, we organized the magazines by genre along the same lines as Mediamark. ⁵

A clear picture quickly emerges, and news magazines are the big loser. Ad dollars and pages are increasingly going to places other than news magazines. Some of the reasons for the shift are fairly obvious. The segmentation that hit television with cable and grew with the Internet hit the magazine industry earlier. Many of the new books that appeared from 1980 forward were niche service magazines aimed at specific groups, like *Bicycling*, *PC Magazine* or *Lucky*, the last a magazine aimed at shoppers.

The numbers show the explosion and fragmentation. In 1980 there were 103 magazines listed with the Publishers Information Bureau. By 2003 there were nearly 250, with most falling into the service magazine niche. ⁶

At first glance it may seem unfair to compare news magazines with the other genres here. News magazines, after all, are just one segment of a large industry and was.

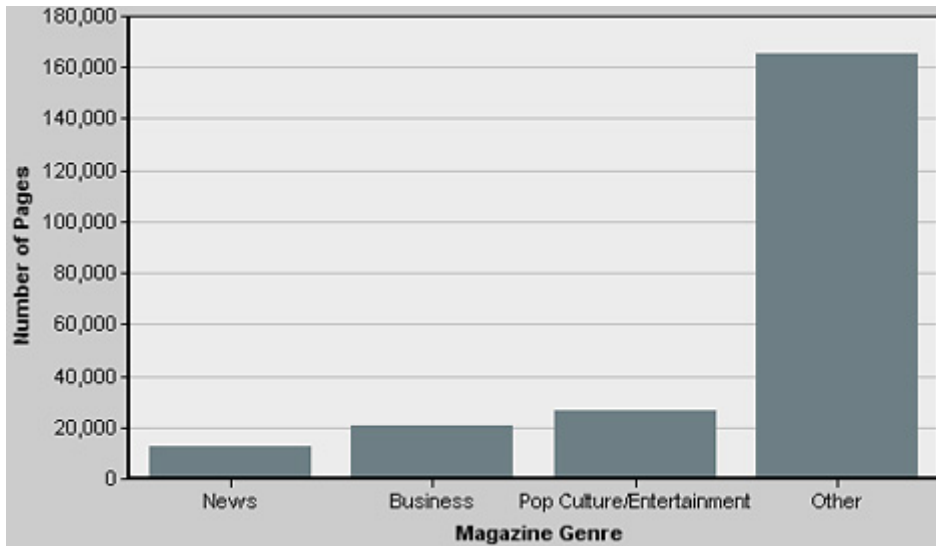
Magazine Ad Pages, 1980



Design Your Own Chart

Publisher's Information Bureau, 1980 annual report

Magazine Ad Pages, 2002



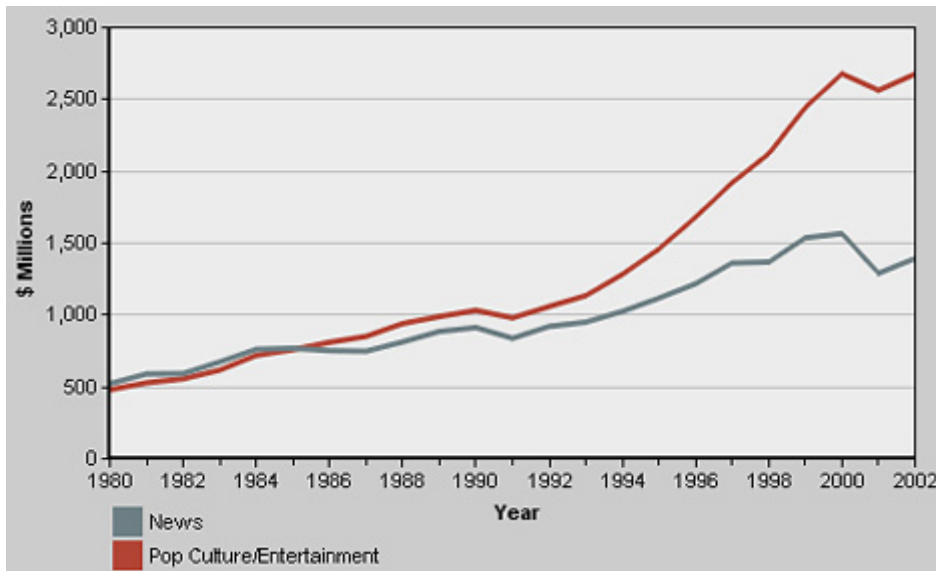
Design Your Own Chart

Publisher's Information Bureau, 2002 annual report

bound to take a hit with the explosion of other genres and niches. (See Usage) But despite the explosion of magazines, the entertainment/pop culture genre still managed to increase its overall share of the ad pages.

Magazine Ad Dollars by Select Genres

1980 – 2002

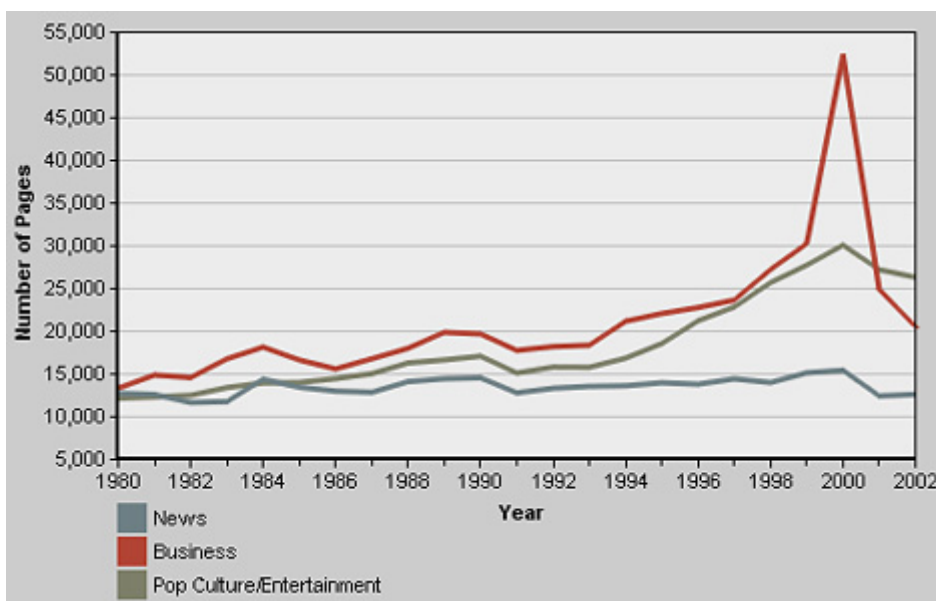


Design Your Own Chart

Publisher's Information Bureau annual reports

Magazine Ad Pages by Select Genres

1980 – 2002



Design Your Own Chart

Publisher's Information Bureau annual reports

Even with a steady number of publications, however, news magazines should not have seen ad pages decrease the way they did. The growth simply was not there for many of the big news magazines. Compare ad pages in some of the bigger magazines in 1992 and 2000, for example. In 1992 Newsweek had 2,109 ad pages and U.S. News had 2,170 pages, while People had 3,281 pages. In 2000, Newsweek had 2,415 pages (an increase 15 percent) and U.S News had 1,857 (a decrease 14 percent), but People had 4,227 pages (an increase of 29 percent). 7

The growth in entertainment and lifestyle magazines is striking, especially since 1995. The number of ad pages has grown by nearly a third since then and ad dollars have grown by more than 80 percent. Since 1980, ad revenues have increased 500 percent for that segment, compared with just 300 percent for news magazines. 8

The rise of entertainment and lifestyle has been stable and consistent. And though there have been some notable flameouts, such as George and Talk, the genre overall has not only grown, it has produced spin-offs as well. Time

Warner's People magazine alone has led to the creation of Teen People, In Style and People En Español.

In fact, while Time Warner has launched five entertainment titles listed on the PIB list in the last 15 years (the above titles and Entertainment Weekly), it has not begun a single new news magazine.

Business Magazines

Business magazine ad dollars grew more as well, rising from \$262 million 1980 to \$1.5 billion in 2002, a nearly six-fold growth. Nevertheless, as was evident in the hit these magazines took in 2001, this genre's fate seems more closely tied to the overall health of the economy and the stock market. Case in point is the unreal spike in pages and dollars that business publications enjoyed in 2000. It can be best understood by looking at the flash and crash of a single magazine, The Industry Standard. In 2000 it had more ad pages than any magazine listed with the PIB. 9 By 2001 it had folded. In other words, good business is good business for these magazines. When the bulls are running and stocks are rising, investors want to know the value of their portfolios. When the bears are playing, people would probably rather read about anything else.

For the magazine industry as a whole, however, the changes over the past 20 years can be understood simply, the ad growth the industry as a whole experienced has the least effect on news magazines. In 1980 news led the three genres in ad dollars, with pop culture/entertainment close behind and business a distant third. In 2002, news was in third, fairly close to second-place business and many lengths behind the leader, pop culture/entertainment.

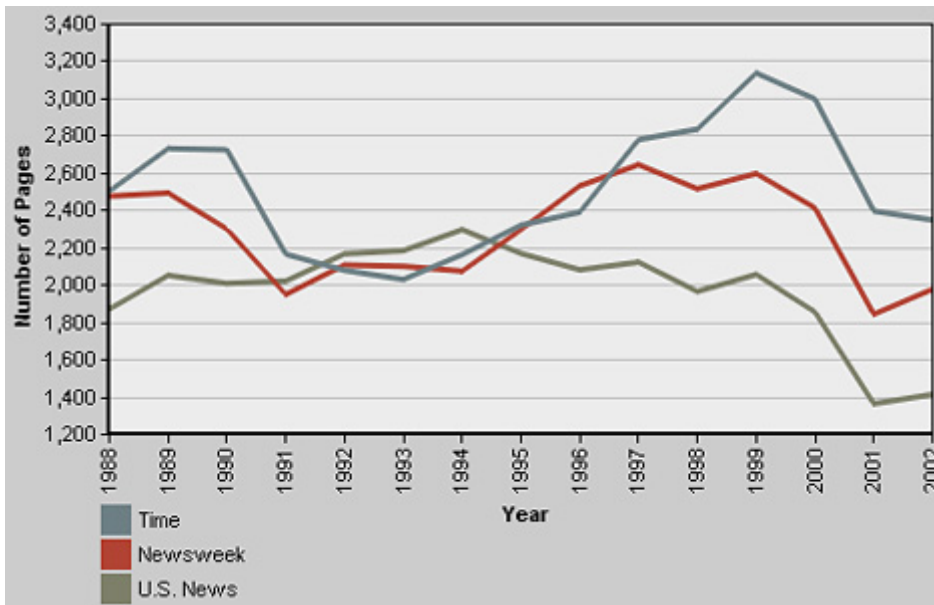
Changes in the newsmagazines

Advertising pages and ad dollar figures show changes in the big three news magazines over the past 15 years. Since the late 1990s, there has been a trend playing out among them, a consistent and well-defined first, second and third place finish among them. Time is on top, followed by Newsweek, with U.S. News & World Report bringing up the rear. As recently as 1994, the three magazines were bunched up closely in ad pages, with U.S. News actually leading, but in the last 10 years more separation has occurred. 10 U.S. News's slip downward seems to have gained momentum as Time and Newsweek, while riding the ups and down of the economy in general, have done relatively well. If the trends continue it could be that at some point in the near future the big three could become the big two.

Time, which has had the most success with ad pages in recent years, is also part of the giant of the magazine industry, Time Warner. And within this industry, the "synergy" created by the number of magazines owned by this media giant has been beneficial. Being able to sell advertisers pages in all its high-profile, high-circulation books at one time (and at a discount) has led to an unquestionable advantage for the megamedia company. And Time Warner has had a good run recently for all its magazines in terms of ad pages and revenues. From 1990 (its first year listed with the Publishers Information Bureau) to 2002, Entertainment Weekly's ad pages climbed from 906 to 1,864. InStyle, which was launched as a special issue in 1994 before gaining a regular publication schedule, saw its ad pages climb from 196 to 3,030 in 2002. 11 And People, too, had large growth over the period. Perhaps, then, while the AOL Time Warner merger may not have provided the publisher with added advantage over its competitors, the strength of the publishing arm of the company may have helped buoy its bottom line.

Ad Pages in the Big Three News Magazines

1988 – 2002



Design Your Own Chart

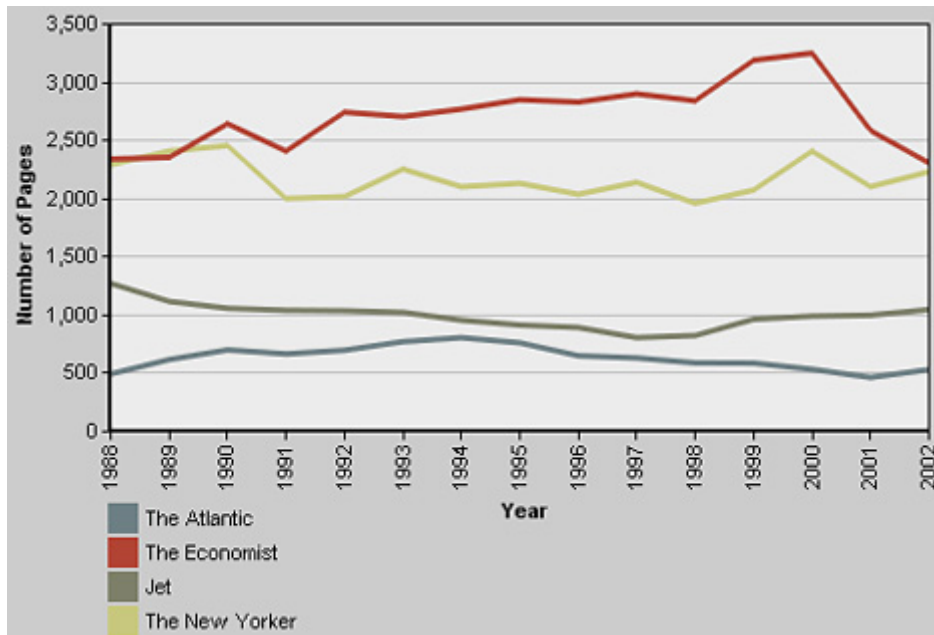
Publisher's Information Bureau annual reports

Elite Newsmagazines

Also noteworthy is the success of smaller-circulation news magazines, particularly The Economist and The New Yorker. In terms of ad pages, these two magazines have done very well over the past decade, and as of 2002 sit ahead of all but Time. The New Yorker is part of the Advance Publications group, which includes all Condé Nast titles; The Economist is part of the smaller London-based Economist Group.

Ad Pages in the Other News Magazines

1988 – 2002

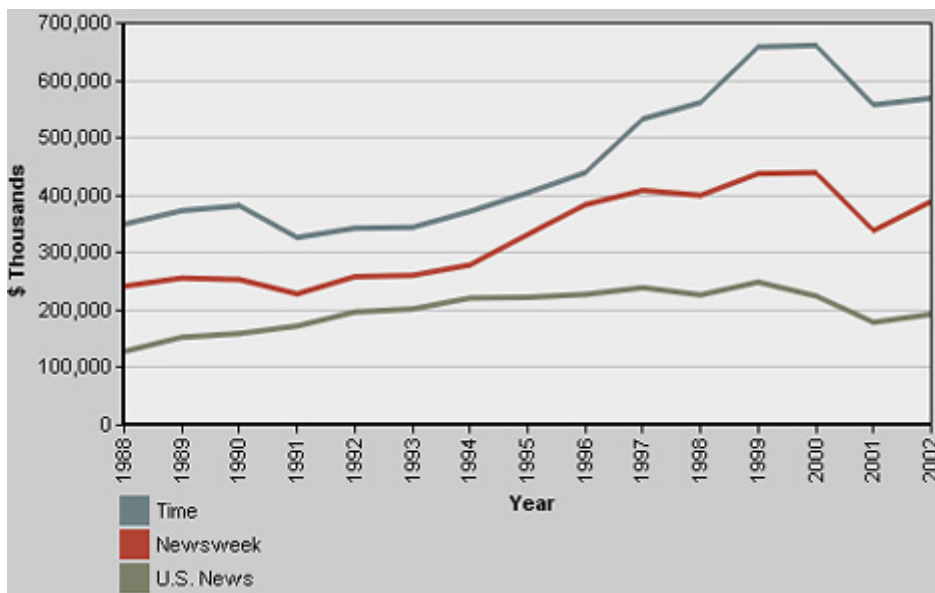


Design Your Own Chart

Publisher's Information Bureau annual reports

When ad dollars are figured in, however, the big three still hold a sizable lead, with U.S. News's declining position becomes clearer.

News Magazine Ad Dollars, by Magazine 1988 – 2002



Design Your Own Chart

Publisher's Information Bureau annual reports

Economic Conclusions

The long-term financial outlook for magazines in general seems strong. There has been growth in ad pages and ad dollars across the board. But within the news genre, things are more stagnant. The number of magazines is flat and, while ad revenues grew between 1988 and 2002, ad pages declined. ¹² What does this mean? The news genre is at least in need of reinvention and may, indeed, be saturated. There is also a note of caution for the magazine industry in general. The rising cost of circulation through the mail makes that branch of the revenue stream very weak and could threaten the long-term health of the industry.

Footnotes

1. Magazine Publishers Association, Publisher's Information Bureau statements 1980 – 2002.

http://www.magazine.org/Advertising_and_PIB/PIB_Revenue_and_Pages/

2. Magazine Publishers Association, "Financial Review of Consumer Magazines 2001." p. 12

3. Magazine Publishers Association, "Financial Review of Consumer Magazines 2001." p. 22

4. Magazine Publishers Association, Publisher's Information Bureau statements 1980 – 2002.

http://www.magazine.org/Advertising_and_PIB/PIB_Revenue_and_Pages/

5. We started by using categories created by Mediamark Research, a firm that collects data on magazine readership. In some situations, where magazines were listed in several categories or listed in questionable categories, we assigned it to a different group. The Economist, for instance, is listed as a "Business & Finance" publication. But the magazine calls itself a weekly news and business publication and much of its content is related to general news – certainly more than a standard business publication. And the New Yorker, which is listed as "General Interest" with Mediamark, regularly deals with the news, not just in newsmaker profiles, but also in longer think pieces on important news topics. People magazine, on the other hand, is listed under "Entertainment, Lifestyle and Pop Culture," but also under "News." We put it under Entertainment, Lifestyle and Pop Culture as that is its primary coverage mission.

6. Magazine Publishers Association, Publisher's Information Bureau statements 1980 – 2002.

http://www.magazine.org/Advertising_and_PIB/PIB_Revenue_and_Pages/

7. Ibid.

8. Ibid.

9. Ibid.

10. Ibid.

11. Ibid.

12. Ibid.

Ownership

Ownership

As the news media have gone through wave after wave of consolidation the magazine industry is consolidating as well. A handful of companies now controls the industry, at least in terms of revenues and in terms of owning the powerful agenda-setting titles.

But, the consolidation here looks different than it does elsewhere. The top companies are different than the companies that rule in newspapers or television. While they are still large, they are not all part of media behemoths, with the obvious exception of Time Warner and, to a lesser extent, Advance. This is especially true for two of the three news magazines – Newsweek and U.S. News & World Report.

There are several potential reasons for the news magazines' ownership situation. It may be due to the age of these magazines – they are so old and well-established other players from other companies cannot jump into the market to compete. Or it may be that because the real growth in the magazine industry is in the niche and service areas, the news-oriented mission of these magazines simply does not jibe with the strengths of most of the major magazine players.

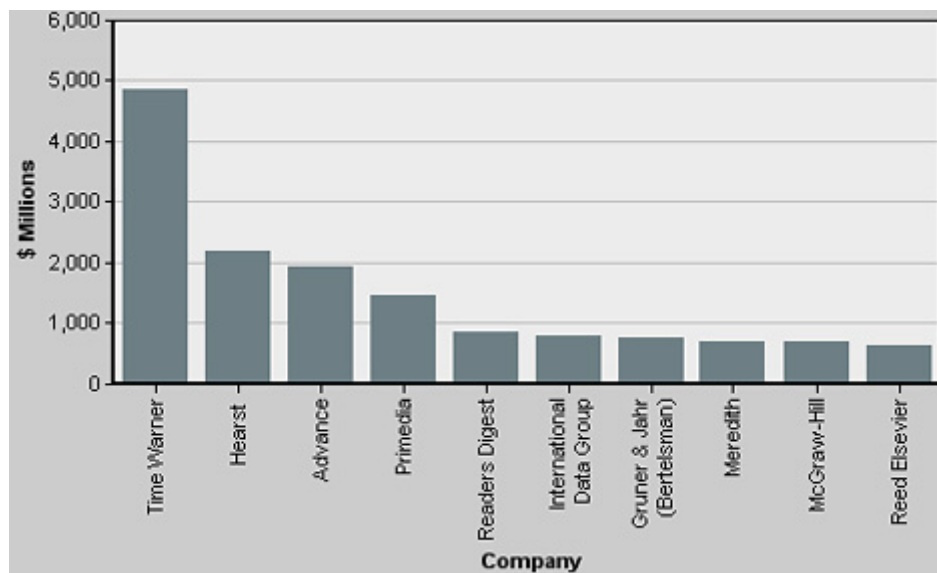
A Few Big Players

In some ways, the same rush all media felt to consolidate in the 1980s and 1990s hit the magazine industry as well. Indeed, it may be fair to say that the magazine industry in the United States is dominated by four companies: Time Warner (which is by far the largest), Hearst, Advance and Primedia. Together those four companies get about 50 percent of all the magazine revenue that comes from the top 100 media companies. ¹

And when one broadens the list to look at the top 10 magazine companies in 2002, they collect almost three-quarters of the revenues in the industry. ¹

But the biggest players in the magazine industry in terms of revenue are not necessarily the biggest players in the larger media world. For instance News Corp., Washington Post and Tribune, three giants of the media world – Nos. 7, 21 and 12 of the top 100 media companies, respectively – are only bit players in the magazine sector.

Magazine Revenue of Top-Ten Companies, 2002



Design Your Own Chart

Advertising Age, Chart: 100 Leading Companies

In fact, only four of the top 10 magazine companies – Time Warner, Hearst, Advance and Primedia – are among the 25 largest media companies overall. That is quite contrary to other media. Nine of the top 10 newspaper companies are among the 25 media giants as are all of the top 10 cable television companies. ¹

A Different Sort of Medium

Why does the magazine ownership landscape look so different than other media segments? It is because there are really two tracks available to magazine publishers. There is the route of high-impact, mass-market, agenda-setting magazines – the magazine names everyone knows – largely the province of the three largest companies. And there is the route of smaller niche, news-you-can-use titles. Much of the growth in magazines over the past 20 years has come in these niche service magazines (See Economics). And many of the big magazine companies publish almost only these titles.

International Data Group, the sixth largest magazine company, publishes only computer magazines such as PC World, Macworld and GamePro. Reader's Digest, the fifth largest, besides its famous main title, publishes Family Handyman and American Woodworker. Even Primedia, the fourth largest company, is, despite its high profile New York Magazine, really based on service titles like Wards Auto World, Home Theater and Shutterbug. ¹

The difference in magazine economics creates very different worlds among the 10 companies in the medium. The top 10 companies publish most of the magazine titles seen on newsstands. But it is the top three companies that hold the best-known books. Time Warner is home, of course, to Time, People, Sports Illustrated and Entertainment Weekly. Hearst publishes Cosmopolitan, Esquire and the hugely successful O, the Oprah Magazine. Advance owns all the Condé Nast titles – including Vogue, CQ, Vanity Fair and The New Yorker – plus Parade.

And, one could argue, that means that the magazine market in terms of content is even more concentrated than it first appears. Those top three companies control 45 percent of the revenues in the magazine market and also control what might be called the agenda-setting magazines in the areas of pop culture and business. They play important roles in shaping the national dialogue in these areas, which are the areas readers and advertisers are most interested in. They are the magazines cited by other media in the critical game of buzz.

Who Owns the News?

Only one of the top 10 magazine companies, Time Warner, publishes one of the big three news magazines, Time. Newsweek is owned by The Washington Post, a big media company that is only a bit player in the magazine world. And U.S. News is owned by real estate mogul Mort Zuckerman, who also owns a hodgepodge of magazines and newspapers. Why are the big news magazines so underrepresented in the big magazine companies? In part it may be that they are not sexy or new. They are among the longest continuously published magazines in the country. They got in, established their names and made competition difficult.

Lack of profit potential should not be overlooked as cause as well.

Even as magazine startups grow, the news magazine category remains largely unchanged, particularly at the mass-marketed, high-circulation end of the spectrum. ¹ Does this mean that three big news magazines is the limit? Possibly. But the fact that there are, and long have been, only three big news magazines despite continuous growth in other segments (such as entertainment) suggests that many publishers simply do not think there is money to be made here. It is true that the magazine companies that have thrived in the past 20 years are more focused on niches other than news and might have a hard time starting a news magazine from scratch. But there is nothing preventing companies with strong editorial backgrounds, such as Hearst or Advance, from launching new news magazines. Even Time Warner might be interested in the idea if it looked profitable. The company did not fear cannibalizing People's readership when it launched Entertainment Weekly or Teen People. It assumed there were niches in which it could move without harming its franchise and it was right.

Why this did not occur in news magazines is a question. Perhaps the field was considered too crowded. Now, absent a remaking of the genre's format, it seems, it certainly is.

Footnotes

1. "100 Leading Media Companies," AdAge.com, August 2003. Companies are ranked by their total media revenues collected in the United States in 2002. The list is available at <http://www.adage.com/page.cms?pagelId=1018>.

2. Ibid

3. Ibid

4. In December of 2003, Primedia announced the sale of New York Magazine to Bruce Wasserstein, an investment banker. The deal moved Primedia out of the mainstream consumer magazine market and put it more squarely in the niche magazine camp.

5. In 2001, Dennis Publishing, publisher of Maxim, launched an American version of its British news magazine, The Week. The magazine, made up of a collection of stories from other publications, has 150,000 subscribers. It still survives but is losing money. Its long-term prognosis is unknown.

News Investment

News Investment

Data on how much news magazines are spending in the newsroom are hard to come by. These expenditures are private and figures gathered by the Magazine Publishers Association are proprietary and reserved only for members of the organization. There is, though, information available through news coverage of the industry, particularly the layoffs that came with the recent recession as well as bureau closings and reduced research departments.

The most direct way of analyzing what's going on in magazine newsrooms may be simply looking at the staff boxes of the individual magazines that list the employees from the editor in chief, to correspondents to copy editors to operations staff. Looking at the staffs of Time and Newsweek, the two more popular magazines out of the big three, there are some noticeable trends:

- The overall staffing of Time and Newsweek has fallen, sharply in the case of Newsweek, with the biggest hits in the lower ranks of the editorial staff.
- The number of foreign and domestic bureaus has fallen, with Newsweek again experiencing the larger decline.
- The number of contributors and contributing editors has increased at both magazines.

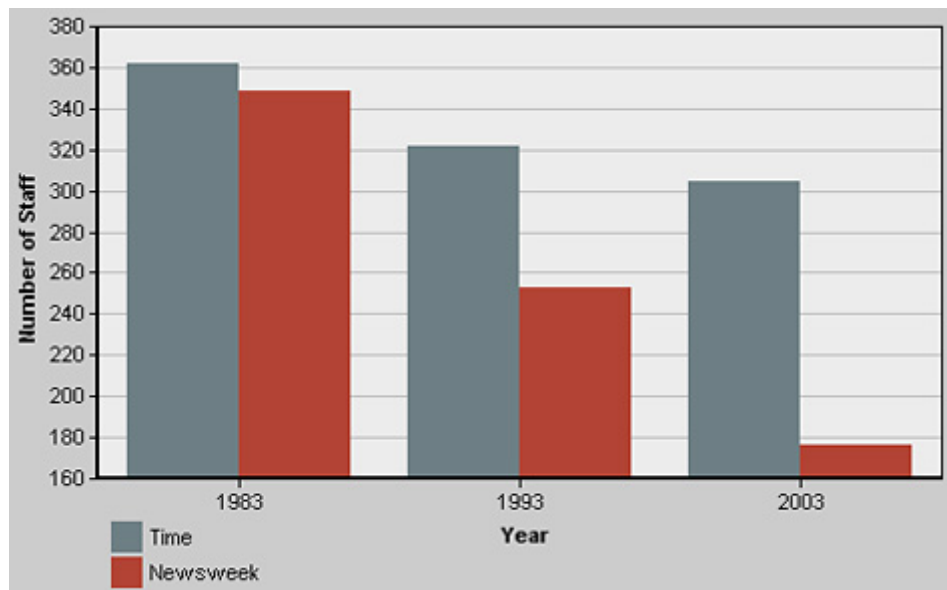
Shrinking Staffs

The push for smaller staffs has impacted all sectors of the media, not only magazines. Since 1983 there have been technological changes in the editorial and production departments that allow similar results with a smaller staff. Pagination and layout are markedly different now than they were even 10 years ago. Those processes are more streamlined and require fewer people. And the Internet has made monitoring of what's happening in remote parts of the country or the world easier, with local news outlets available on a daily basis by simply typing in a Web address.

Even taking all those changes into account, however, the staffs of the two biggest news magazines have declined significantly in the past 20 years. Time's staff has been reduced 15 percent, according to its own staff box. Newsweek, meanwhile, has had a whopping 50 percent cut, according to its box. There has without question been some shuffling of names and job titles in these staff boxes. Nevertheless, overall declines are clearly evident.

News Magazine Staff Size Over Time

Time and Newsweek select years 1983 – 2003



Design Your Own Chart

Project for Excellence in Journalism from magazine staff boxes

Where have the changes come? The staff boxes are more top-heavy than they were in 1983, with the biggest cuts coming in mid-to-lower-range positions. In those 20 years, Time dissolved its “reporter-researcher” position, an entry-level post involving fact-checking. Research now sits at the bottom of the masthead under the title “research center.” Instead, Time has created new titles such as “reporters,” and “writer-reporters.”

Research is the area that has taken the biggest hit at Newsweek as well, where their version of reporter-researchers, “editorial assistants,” has been sharply scaled back. In 1983 there were 76 editorial assistants and senior editorial assistants in Newsweek’s staff box. In 2003 there were 18. More mid-level positions have also been trimmed at Newsweek. In 1983 there were 62 people who fell into the categories of associate or general editor in the staff box. In 2003 there were 22.

In part, the move away from research was due to the advent of the Internet and the ease of doing research from each reporter’s computer terminal. In the mid-90s, for instance, as the Internet became more accessible and Web browsers made it easier to use, Newsweek used buyouts to essentially scrap its research department.

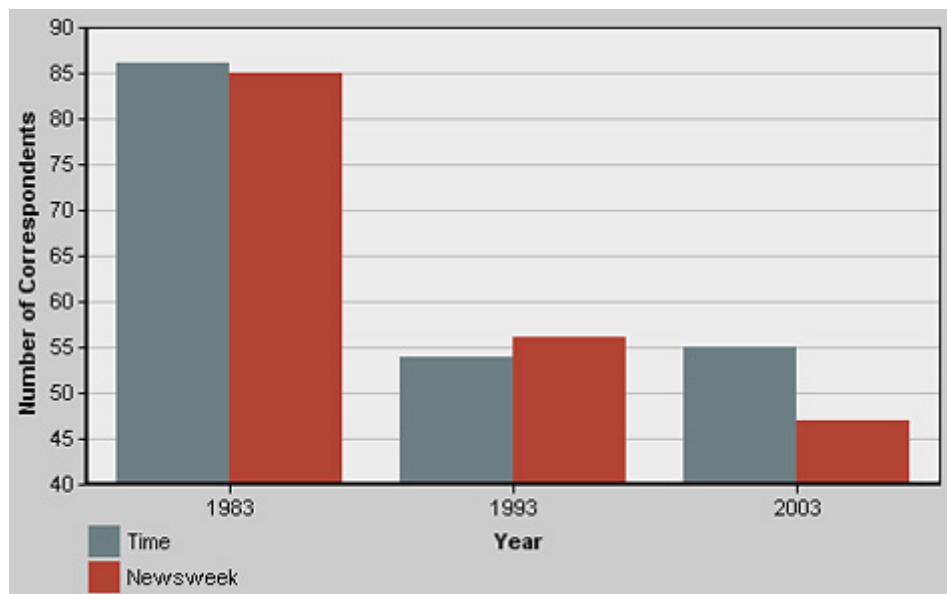
Another change is in the way bylines now read. In 1983 stories in Time and Newsweek generally had no byline and, instead, a string of contributing names on the end of each piece. By 1993, top-of-the-story bylines appeared on most pieces and in 2003 even Newsweek’s side-bar boxes have bylines. This suggests a couple of things. First, as news magazines became less focused on telling readers what happened and more concerned with providing a “take” on the events of the week, they also wanted to give more prominence to the “voice” of the correspondents. One way of doing this is to draw attention with top-of-the story bylines. It also suggests that there is less reporting from individuals in the field, though this seems less true of Time than Newsweek. Most of Time’s news stories still have “reported by” tags at the end. Newsweek’s are more often the work of a single writer who one assumes also did the reporting.

Fewer Bureaus

Another manifestation of the change in how Time and Newsweek operate is the reduction in bureaus around the country and the world. The number of bureaus has dropped for each, though again more in the case of Newsweek than Time. But even more significant is the drop in the number of correspondents in those bureaus.

Number of Correspondents in Bureaus Over Time

Time and Newsweek select years 1983 – 2003

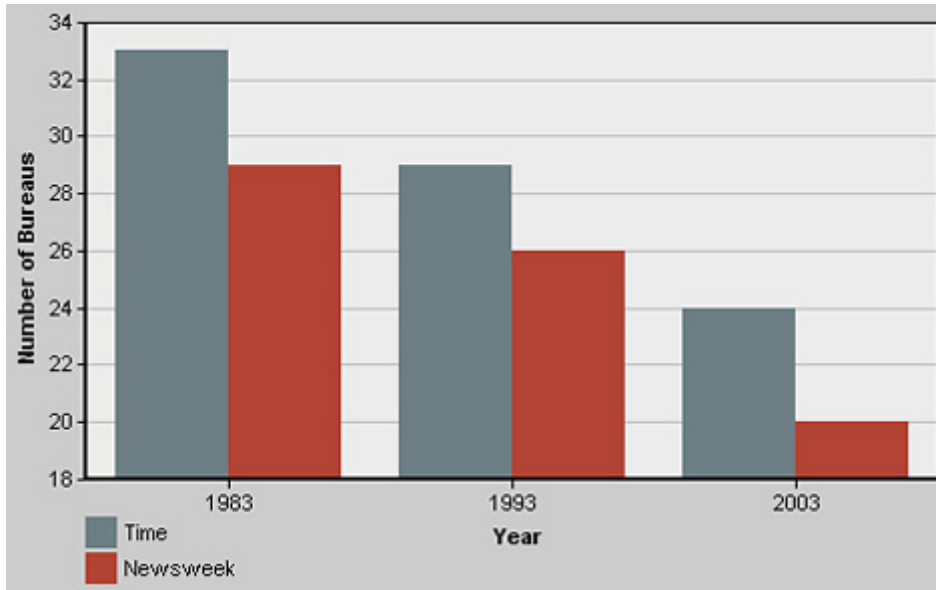


Design Your Own Chart

Project for Excellence in Journalism from magazine staff boxes

News Magazine Bureaus Over Time

Time and Newsweek select years 1983 – 2003



Design Your Own Chart

Project for Excellence in Journalism from magazine staff boxes

Together, the drops show again how news-gathering and original reporting have become less and less of the news magazine mission. Newsweek's bureaus have fallen from 29 in 1983 to 20 today. 1 Time's have declined from 33 to 24. 2 Bureau staffs have seen even steeper cuts. Time's national and international bureau correspondents have decreased from 86 in 1983 to 55 in 2003. Newsweek's have gone from 85 to 47 over the same period.

Contributors

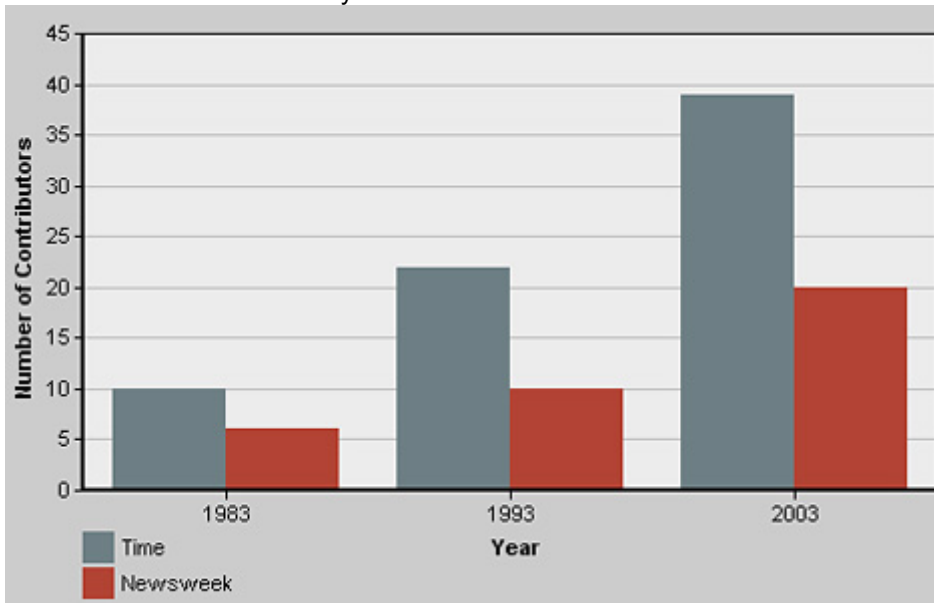
The one section of the staff box that has seen growth over the past 20 years is the area devoted to contributors. Contributors are appealing for a couple of reasons. One is that it can be a less expensive way to employ journalists, as contributors do not normally receive the same benefit packages as full-time employees. In addition, people can be brought in when need arises. Contributors allow magazines to staff up when issues arise and yet be relatively lean overall. Another appeal is that contributors often bring instant name recognition – and perhaps more authority – to the narrative.

In the magazine industry as a whole, working with freelancers or contributors is commonplace. In fact, many magazines in other genres don't have any staff writers. Editors simply have a stable of contributors they turn to when they need an assignment filled.

But news magazines for many years were the exception. Quick turn-around times that were set by breaking news made the freelance model largely unworkable for the Time or Newsweek. Today, however, news magazines have found a way to adapt this structure and use a mix of contributors and staff.

Number of Contributors in Staff Boxes Over Time

Time and Newsweek select years 1983 – 2003



Design Your Own Chart

Project for Excellence in Journalism

Time’s “contributors” are a hodge-podge of people, but many are specialists who work for other media organizations – well-known names, some from other Time Warner companies. Some of the names on Time’s list include CNN’s medical editor, Dr. Sanjay Gupta; a CNN senior analyst, Jeff Greenfield, cartoonist Gary Trudeau and newspaper columnist Molly Ivins. Newsweek’s approach is different. Its smaller group of “contributing editors” is largely a mix of the magazine’s columnists and former staffers who have been moved into the contributors category. Some of the names on Newsweek’s list include columnists George Will and Jane Bryant Quinn as well as a former religion writer, Ken Woodward, and Washington correspondent Eleanor Clift.

As staff cuts, specialization and planned issues increase at the big news magazines, the contributors lists are likely to increase as well. They are easier to add financially than staffers and their instant expertise and name recognition they bring fits in with the news magazines’ continuing move away from being heavily reported and anonymously written.

In fact, it is likely that all three trends will continue in the coming years as computers and the Internet make people power less needed in the publication of the news magazines – particularly in their current form. News magazines may never be like other types of books, where freelancers and contributors dominate. But as time goes by, they will likely move more and more in that direction

Footnotes

1. Newsweek staff boxes October 3, 1983 and July 14, 2003

2. Time staff boxes October 3, 1983 and April 28, 2003

Public Attitudes

Public Attitudes

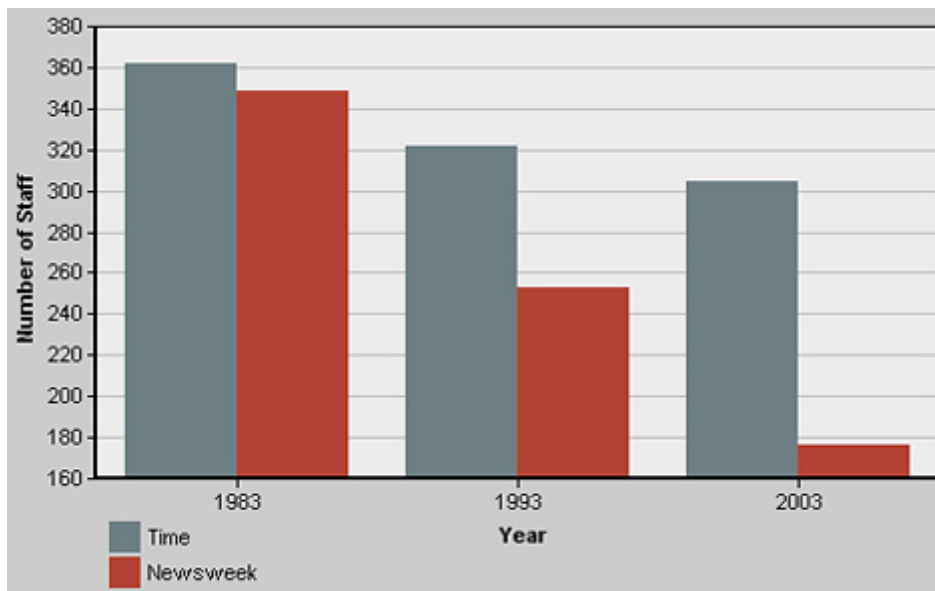
News magazines occupy a valued place in the life of most of their readers. They are a mass medium. But they are rarely the primary source for information about the events that shape the world, according to surveys by the Pew Research Center. Television, radio, newspapers and the Internet are more likely to be the places where individuals learn about the news. News magazines have always been a more analytical forum, a synthesis of news, analysis and opinion. Their readers tend to be a more select group of people who are interested in news. Readers' opinions, then, may matter more to these magazines than to other media. Since they are not the primary source of news and they revolve around analysis, they are also arguably more easily dropped by readers who feel they don't need them. Among the survey findings:

- Only a small numbers of readers say they are turning to magazines more often for news.
- Magazines increasingly are seen as less valuable when news breaks.

Without question, the number of news sources has multiplied in the past decade. And the rise of the Internet combined with the proliferation of 24-hour cable television networks has changed the way people get news. Not only is instant information available, but so are instant analysis and instant opinion as well. Magazines have borne some of the toughest hits in this information revolution, according to a survey by the Pew Research Center.

News Sources People Use Most Often

Survey Question: Which (news) sources are you using more often?



Design Your Own Chart

Pew Research Center for the People and the Press, "Media Attitudes/ Youth Engagement/ Religion After 9/11" Nov. 13 – 19, 2001

The survey measured what news sources respondents were using more often. Magazines, which were the choice of 23 percent of poll respondents in 1995, fell all the way to 4 percent in 2001, a drop of 83 percent. 1 Other media took hits as well, but readers seem to find magazines most expendable.

The shift at the big news magazines was in a way meant to counter this. The diminishing focus on actual news reportage made way for more analysis and opinion. But these figures suggest that effort was not wholly successful.

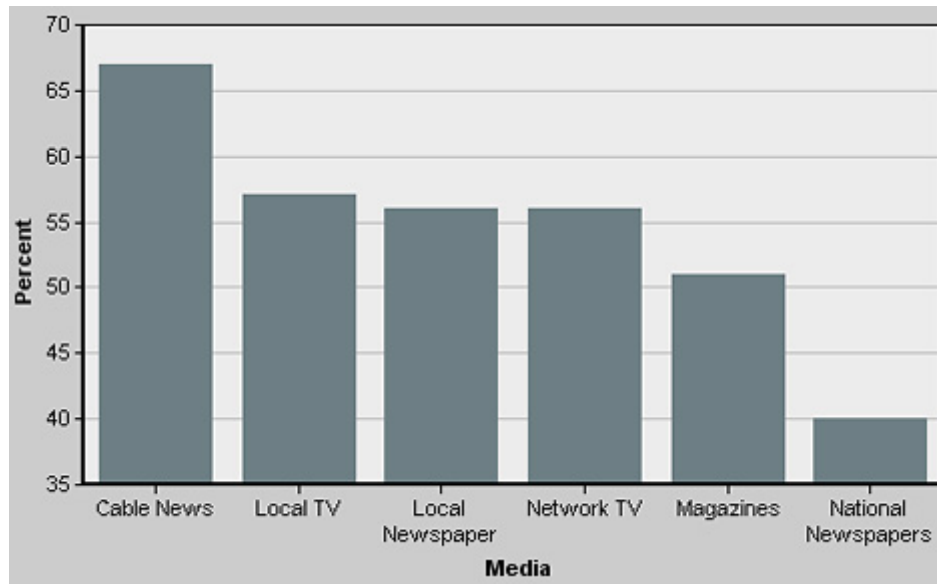
A Pew Research Center question asked where respondents got most of their news. While news magazines have never been seen as a primary news source, particularly during breaking events, it seems to be even less so since the September 11 terrorist attacks. From 1991 to just before the 2001 attacks, an average of 6.5 percent of respondents said they got their international news from magazines. From immediately after the attacks until October 2003, that number had dropped to 2.9 percent. 2

It could be that during this time readers had come to believe that the speed at which news moves had changed and that magazines were less relevant to them. But it also could be that this is a short-lived phenomenon that dissipates over time.

The bright spot for magazines may come from what readers think of their work. In a Pew Research survey done in September 2001, shortly before the terrorist attacks, 51 percent of respondents gave Time, Newsweek and U.S. News & World Report an “A” or a “B” grade in overall coverage. That number is at least competitive with most of the major media. 1.

Grading News Coverage, 2001

Percentage giving each medium an A or B grade



Design Your Own Chart

Pew Research Center for the People and the Press, "America's Place in the World III," Aug. 21 – Sept. 5, 2001

*Survey question: What grade, A, B, C, D or F, would you give [media name] for its/their overall news coverage these days?

Local television news scored an A or a B with 57 percent, network news and local newspapers 56 percent, and cable television news 67 percent. Magazines came in ahead of the category of large, nationally influential newspapers, at 40 percent. 4

The good news for magazines then, is that readers think the news magazines are doing a relatively good job of presenting information. The bad news is that this doesn't seem to be keeping readers. And that bad news is more troubling. It suggests that people are less interested in magazines largely because of personal time constraints or the speed at which news is moving or both.

Footnotes

1. Pew Research Center for the People and the Press, Media Attitudes, Youth Engagement, Religion After 9/1. Question 57.
2. Pew Research Center for the People and the Press, October 2003 News Interest Index. Question 8.
3. Pew Research Center for the People and the Press, America's Place in the World, III. Question 11.
4. Ibid

Conclusion

Conclusion

For the past several years, even decades, it has become popular to speculate on the demise of the general interest news weeklies. It has been argued that in a world of 24-hour news, niche magazines and the Internet, the news weeklies are dinosaurs. Unable to react quickly enough to break real news and now dealing with a world where instant analysis and spin follows quickly on the news's heels, the weeklies don't really have a mission anymore, the argument goes. On top of that, their audience is getting older.

The weeklies, well aware of this analysis and witnessing declines in circulation or steady circulation numbers in a growing population, have tried to respond. They have changed what they cover, reaching more and more into areas outside of hard news. They have changed their look, adding more and more photos, trying to get slicker and glossier to attract a younger audience. The changes have seemed to stem the tide somewhat, but stagnant or falling subscription numbers don't look likely to suddenly climb.

It's easy to blame those losses on a changing culture that simply doesn't value news anymore. But what has happened to the general news weekly may be more complicated.

The changes in the magazine industry over the last 20 years have been mirrored by cable television. The rise of "niche"-ing and delivering specific audiences to advertisers took place in magazines well before cable had evolved. Before there was the "Animal Planet" cable channel, if you will, there was "Cat Fancy" magazine. Yet somehow, news magazines largely missed the trend. Paradoxically, as the magazine industry (and communications in general) got more and more concerned with targeted specific content, the news magazines actually got broader and more general. They cover more topics now than they did 20 years ago. They reach farther afield for cover stories. In a world that has become more and more like cable television, broken into interest groups and subsets, the news weeklies have become more like the networks, a one-stop catch-all with something for everyone.

Indeed, the news weeklies may have found a way to survive with this formula, although this is less certain of U.S. News. Their oft-predicted demise seems to be again on hold. Subscription losses seem to have slowed to the point where the weeklies may now have a steady and reliable, though graying, audience.

The question is what have they become in the process. As the amount of hard news in their pages declines, the "news" part of their "news weekly" tag seems less and less relevant. The magazines are, more than anything, broad general interest weeklies. A little bit of People, a little bit of Forbes, a little bit of National Journal and little bit of Entertainment Weekly. And there may be an audience for this product, but the product is not what it once was. And as the trend toward "niches continues to grow, one has to wonder about the long-term wisdom of this strategy.

Looking at the circulation and advertising figures though, one could argue there is an alternative model of news magazine journalism that is thriving. The Economist and, to a lesser extent, The New Yorker have flourished over the last 15 years by doing the opposite of what the big news weeklies have. The Economist, in particular, has essentially the same mission as big three news weeklies but takes a sharply different approach. It has few pictures, keeps light coverage relatively low and covers the entire world. And yet its circulation has grown despite a relatively high subscription price. The New Yorker has moved more closely and more successfully to this formula under its current editor, David Remnick, than under his predecessor, Tina Brown.

The rise of The Economist and the success of The New Yorker may suggest that there is a separation of audiences going on in the magazine industry. A small group of upper-income and perhaps more highly educated readers is choosing to get its news and analysis from smaller, more select, more focused sources outside the mainstream. The publications, while clearly smaller in readership, have had steady growth in circulation and ad pages. This may presage changes coming to the news media at large.

The steady growth among more expensive, more text-heavy, more serious news magazines suggests there is another niche growing. If one looks around at all the news media, one can see signs of this shift happening on a larger scale. The circulation of The New York Times is based less and less on geography and is increasingly scattered through the country in areas based on cultural and income factors. In radio, the audience for National Public Radio has doubled in 10 years.

It is too early to know exactly what all these changes will mean. But it is possible that in future years the big three news weeklies will no longer dominate the news rack. It is possible that the news part of the magazine rack will look like the rest of the rack. Perhaps there will be one or two big titles, followed by a group of targeted niche news books, all with a different view of what happened last week.

Radio – Intro

By the Project for Excellence in Journalism

Intro

Radio might be called journalism's forgotten but stable middle child.

The medium that came after newspapers and before television remains one that virtually every American continues to use, and one whose audience isn't declining. While the medium spans as many as 47 different formats, many radio stations include some hourly news briefs in the course of the day, and the number of news stations that are mostly news and public affairs remains robust. ¹ Some outlets, such as National Public Radio's affiliate stations, are a reminder that there is a growing audience for in-depth radio news coverage from around the world.

But there are also signs of concern, as in other media. Though the evidence is hard to pin down, the amount and character of locally produced news on radio appears to have seriously eroded in recent years. Consolidation has made original local public affairs content more of an afterthought. Hourly updates are often not more than headline reads. And the data available suggest a growing number of stations are not local at all, despite a high desire among audiences for local information. The people who work in radio news are not well paid. Their ranks are shrinking and those who remain are being stretched thinner.

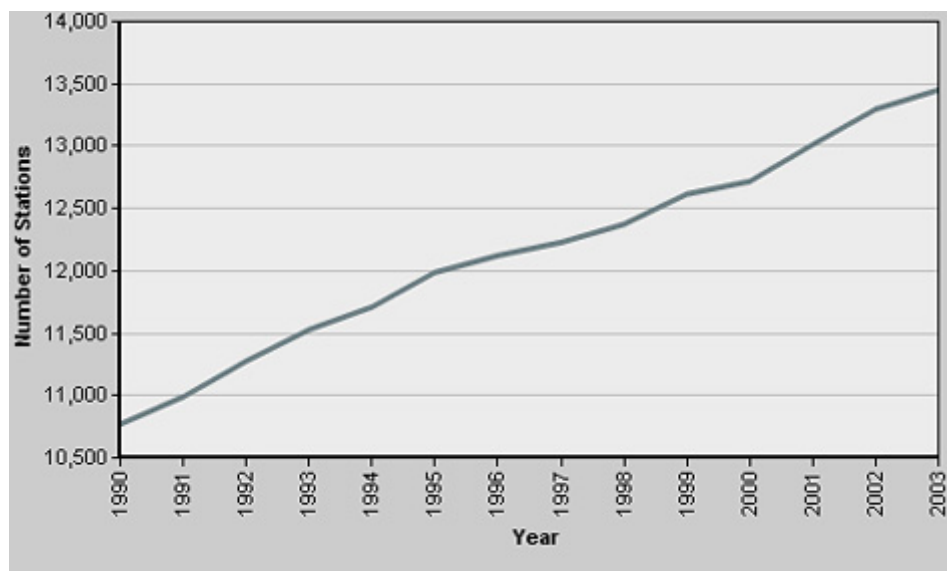
Despite radio's durability, when the subject of the news media comes up, radio often sits ignored. The conversation usually centers on newspapers, the oldest medium; television, the most visual, or the Internet, the newest. There is little academic research into radio, either as journalism or the medium as a whole, and what research is done is often conducted to persuade advertisers about the medium's continued vitality, usually by gathering proprietary data for specific needs.

Thus, much of what people know about radio is rather like blind men touching an elephant. Each comprehends the elephant in a different way. The man grasping the trunk thinks the elephant is like a snake. The man holding the tail thinks it is like a paintbrush.

This is quickly illustrated in trying to answer even the most basic questions: How many radio stations are there?

As of September 30, 2003, the FCC listed 13,450 licensed broadcast radio stations in the United States. This count includes every station with a set of call letters and a frequency, even those that are silent, or currently not broadcasting. ²

Number Of Licensed Broadcast Radio Stations, 1990 to 2003



Design Your Own Chart

FCC quarterly report

* Numbers as of September 30th of each year

Arbitron, on the other hand, an international media and marketing research firm, counts 13,685 in its 2002 Radio Today Annual Report. ³ BIAfn, a media investment research company, includes Canadian and Mexican stations (stations that begin their call letters with a C or an X, respectively, instead of the W or K used in the United States) as well as radio stations located in American territories. It lists a slightly lower total: 13,215 domestic radio stations. To try to sort this out, we can contrast data sets against each other. Doing so reveals 13,400 to 13,700 radio stations in operation in the United States. ⁴

This is approximately a 99 percent increase since 1970, due almost solely to the growth of FM (rather than AM). ⁵

Footnotes

1. Arbitron's Web site lists 47 major formats which are used in their listening surveys.

2. Federal Communications Commission, www.fcc.gov

3. "Radio Today: How America Listens to Radio, 2003" Arbitron Inc., p. 4, www.arbitron.com

4. As a kind of experiment, to judge how closely the various counts relate, we extracted the number of radio stations listed with Arbitron under the format heading of News/Talk. For Arbitron this includes news, talk, information, business news and sports. We then took the data from BIAfn and individually counted stations providing news, talk, information, business news or sports. We came up with a number of 1,812-just 187 stations fewer than Arbitron's listing in its 2002 Radio Today report of 1,999 stations.

5. AM radio occupies a frequency band of 535 kilohertz (1 kilohertz equals 1,000 cycles per second) to 1.7 megahertz (1 megahertz equals 1 million cycles per second). The FM radio band spans 88 megahertz to 108 megahertz.

Content Analysis

Content Analysis

What is the state of content in radio news?

The project did not make a separate study of the content on radio this year, as it did in broadcast television, cable, the Internet, newspapers and magazines. The number of stations and the difficulty of monitoring locally make such an undertaking difficult.

But some generalizations and some anecdotal information are possible. And they suggest reason for concern.

Lawrence Grossman, the former head of PBS and NBC News, said in a recent address at Louisiana State University: "Commercial radio ... has by now totally abandoned serious journalism, except some might argue, in a handful of big cities whose all-news radio stations typically offer little more than a 24-hour headline service. Radio network news is a relic of the past. Instead, commercial radio is flooded with syndicated talkers (talk is cheap), whose opinionated, mostly archconservative on-air personalities take strong positions on major public issues. What once was an industry dominated by locally owned and operated stations and three national radio networks is now an industry dominated by three giant corporations, each of which owns multiple stations in a number of markets, and owns and programs hundreds of radio stations throughout the nation." ¹

The Future of Music Coalition, an advocacy group made up of members of the music, technology, public policy and intellectual property law communities, which has been critical of radio consolidation, issued a report entitled "Radio Deregulation: Has It Served Citizens and Musicians?" It states that four companies control two-thirds of the domestic news audience. ² Data from the most recent newsroom survey by the Radio-Television News Directors Association, or RTNDA, show that an increasing number of radio stations in other formats are receiving information from a central news department. On average, a single newsroom provides content to three stations. What does this mean?

According to some critics, it means that radio news may be running the same risk of other commercial radio content, as described by William Powers, the media columnist for National Journal, into "a horror show of packaged homogeneity and cynical, demographic button pushing." ³

Is this dire critique fair? Since comprehensive information about content is difficult to come by, the more detailed sense of things comes from anecdotes, but these often paint a worrisome picture, too.

Alan G. Stavitsky, the associate dean of the school of journalism and communications at the University of Oregon and one of the country's few scholars who specializes in studying radio journalism, often offers his own experience as an illustration of radio's changing picture. Stavitsky started his career in radio broadcasting working for a small radio station in Wisconsin. The station he worked for was one of many stations dotting the state that were programmed locally and, in addition to whatever music or information, provided things like coverage of school-board and village meetings, school-lunch menus and lost-dog announcements. These were news items that, obviously, were vital and important only to individuals in the station's "backyard." Now, that same area is served not by a system of hyper-local stations but by stations that mostly broadcast network and syndicated programming produced outside the state, with announcers in places like New York and Dallas. This transformation, while it does not change the outward appearance of that area's radio landscape, does eliminate the nuances that made the local radio station a familiar part of the community.

The factors in all this are harder to pin down. Some would argue that this is simply the marketplace at work, a reflection of what audiences want. Others contend it has less to do with demand than supply – the minimum that owners are willing to spend to get by.

Certainly a major factor is regulatory. Critics date the start of much of the change to the 1980s, when the FCC began loosening the rules on radio content and ownership.

So is there any good news about radio news content?

Advocates of consolidation make a case for its potential benefits. Data from the RTNDA show that, even if they are providing news to multiple stations, the staff numbers in radio newsrooms are growing. This situation is allowing stations that might not have offered any news programming before to add such content to their daily schedule. The numbers also show a climb (though changes in methodology from previous years makes exact comparison impossible) in the minutes of locally produced news content.

And listeners can easily migrate where they want. At NPR, where most agree listeners can find high-quality radio journalism, the audience has doubled in the last decade, and grown by 60 percent in the last five years. This does include some content, but often not very much, that is local. 4

For all the worries about the decline in local content, Arbitron information tells us that more than 94 percent of the American public tunes into the radio each week and that virtually all of them get some news there. It also tells us that News/Talk/Information stations enjoy the largest percentage of listeners of any other format. What's more, radio leaps over such obstacles as the digital divide, economic status and even the language barriers. The boundaries of the audio town square are broad and inclusive. 5

Footnotes

1. "Should The Government Subsidize the Press?" Speech delivered at Louisiana State University, 2004 Breaux Symposium: News in the Public Interest: A Free and Subsidized Press, March 19- 20, 2004.
2. "Radio Deregulation: Has It Served Citizens and Musicians? A Report on the Effects of Radio Ownership Consolidation following the 1996 Telecommunications Act," Future of Music Coalition, p. 38, www.futureofmusic.org, based on data from BIAfn MediaAccess Pro, www.biafn.com (data as of May 16, 2002)
3. William Powers, "Radio Rich," National Journal, November 15, 2003.
4. Data provided by NPR, unpublished.
5. Arbitron.

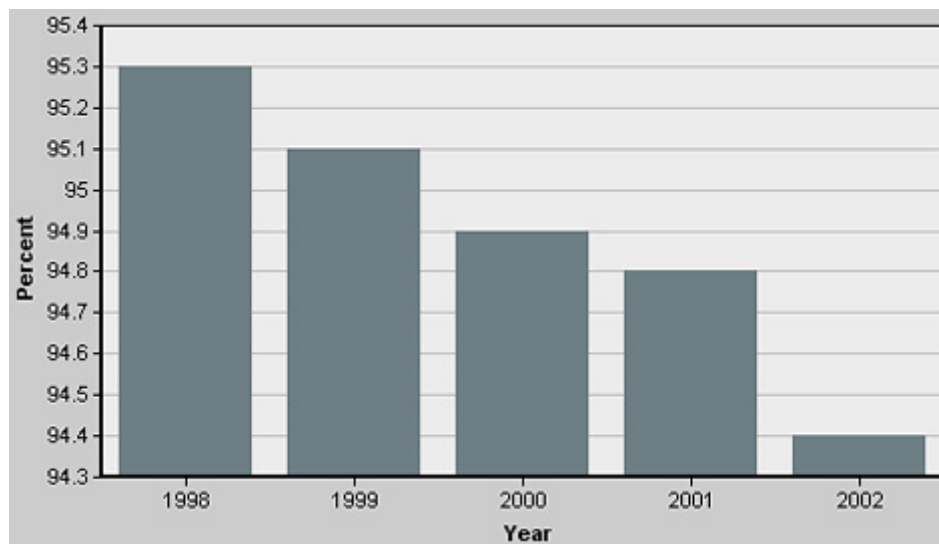
Audience

Audience

The growth in stations, and the possible erosion in local journalistic content, has not materially transformed how many people listen to radio. The 94 percent figure calculated by Arbitron has stayed virtually unchanged for the last five years, the time from which data are available.

Radio Reach

Percent of the population 12 and older, 1998 – 2002



Design Your Own Chart

Arbitron 'Radio Today' annual report

Similar to what is occurring in the magazine industry, the growth in stations, instead, appears to be fragmenting the radio audience into finer and finer niche groups. The 47 recognized radio formats include such things as Adult Contemporary, Alternative, Country, Classical, Beautiful Music and Farm/Agriculture. And even these 47 formats are prone to splitting and changing to create new niche markets. What was once Contemporary Hit Radio, or CHR, now includes CHR-Pop, CHR-80s and CHR-Dance. 1

This represents a remarkable shift. When commercial radio was begun, stations were broadly programmed channels, much like the later television networks. The same channel, depending on time of day, offered serials, then soaps, music and news. Today, the strategies behind formatting radio are even more targeted than cable television. This narrowcasting, as it is termed, adds to cultural fragmentation. It also tends to minimize accidental learning – people becoming more familiar with news, information or even music that they were not seeking out.

This targeting in recent years has most likely played a part in the stability of radio's overall audience. The stability might also be attributed to the fact that radio is a medium built on habit. With preset stations on the car radio, the clock radio and even on streaming audio, people's radio tendencies tend to vary little day to day. Think about your own radio listening. Have your habits changed significantly? Do you listen in the car on weekdays? In the kitchen on Saturday morning when you have your coffee? Only to Dr. Laura?

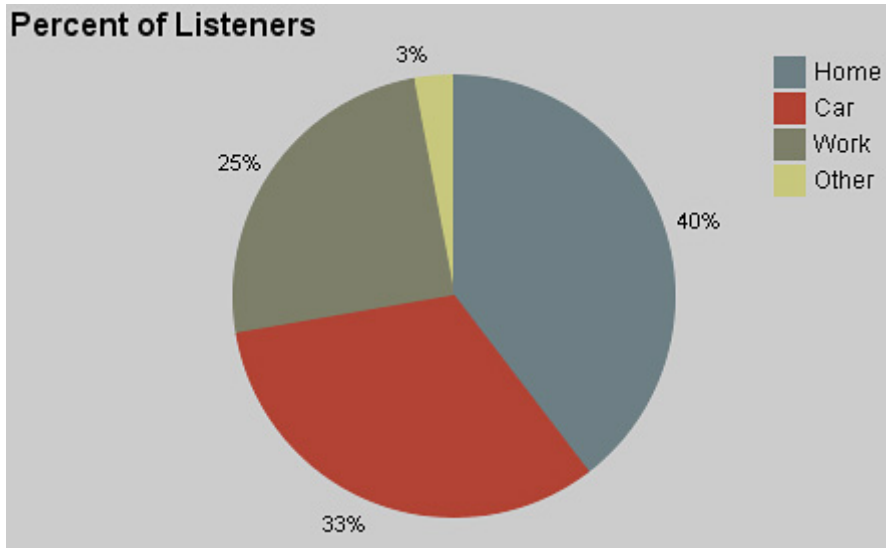
Tied to listening to the same stations for the most part, data gathered over the last five years reveal little change in where people listen to the radio. The lone shift here has been a steady climb in car listening over the past five years. Why? The most likely explanation is cultural. People are driving more. Data from the Department of Transportation's Bureau of Transportation Statistics indicate that the average driver spends 55 minutes behind the wheel every day. 2

What has intrigued radio professionals is that there has been no apparent change in listening due to technology. There were theories that Internet radio streaming, which makes it possible to listen to radio on the computer, at work or at home, and to pick from among many more stations than just those in the listener's own city, would radically transform

radio. The Internet has led to a surge in news consumption of text-based Web sites. People check out news Web sites such as MSNBC.com at work throughout the day, creating a whole new class of news consumers.

But no analogous surge in daytime listening has happened on the radio. Research suggests that while people may be willing to dip their feet in the water they may not necessarily dive in. According to a 2003 study by Arbitron/Edison Media Research the number of individuals who had ever listened to radio stations on the Internet increased from 6 percent in 1998 to 33 percent in 2003. ³ But when asked about more regular online listening, only 10 percent had listened to a radio station online in the past month. Only 5 percent had listened in the past week.

Where People Listen, 2002

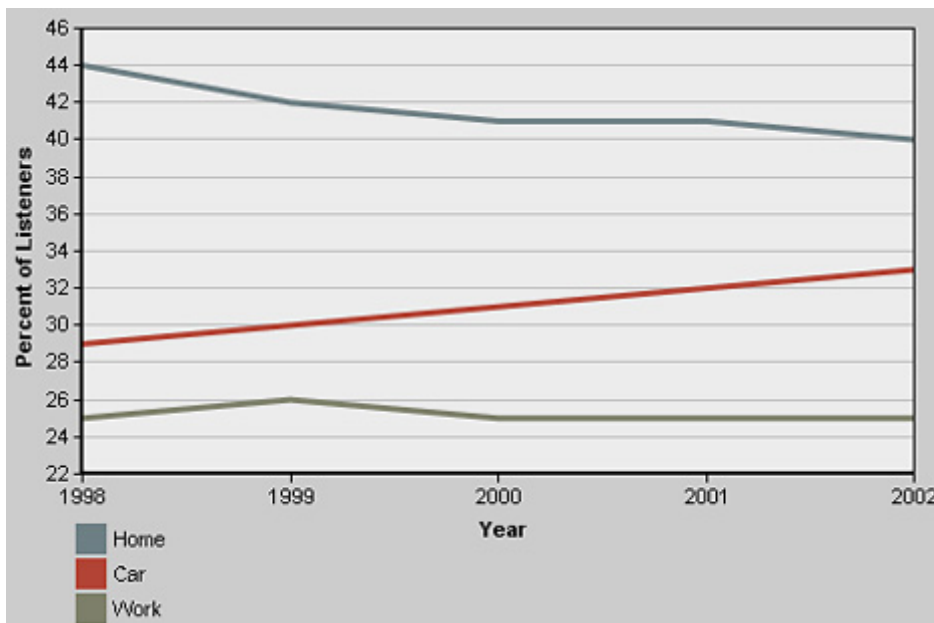


Design Your Own Chart

Arbitron 'Radio Today' annual report

Where People Listen

1998-2002



Design Your Own Chart

Arbitron 'Radio Today' annual reports

What is the cause of this apparent disconnection between radio and the revolutions occurring in broadcast technology? One contributing factor is the decision made by some organizations to limit or prohibit alternative forms of broadcast—such as Internet streaming of audio and video—for their so-called over-the-air radio stations (those stations also available through traditional radio outlets and not Internet or satellite-only stations). As a result, the information and programming that attracted a listener to the station is simply not available online.

Another might be the attitude cited by some researchers that many listeners view their computer as simply another receiver, no different than the traditional radio that might already be sitting in their kitchen or on their desk. The listener with this mindset would most likely choose whichever mode of listening is most convenient to their location. Add to this the reality of the digital divide and the weight online streaming can put on computers and computer networks. Some organizations and corporations have instituted rules limiting or prohibiting the use of streaming websites in office settings while some at-home computer users are simply not sufficiently equipped to enjoy streamed audio in as clean a fashion as the traditional radio on their desk.

The newest evolution of radio is the advent of satellite networks like Sirius Satellite Radio and XM Satellite Radio. While this report is primarily concerned with the state of radio journalism on over-the-air stations these satellite networks are enabling radio listeners an increasing amount of control over the content they listen to thanks to a finely delineated formatting scheme. Moreover, satellite technology allows listeners the kind of universal access offered by the Internet (an individual abroad can access radio stations from back home) while specially designed receivers for car and home preserve the mobility that is radio's personal strength as a medium.

Radio News Listnership

So how much of radio listening is listening to news?

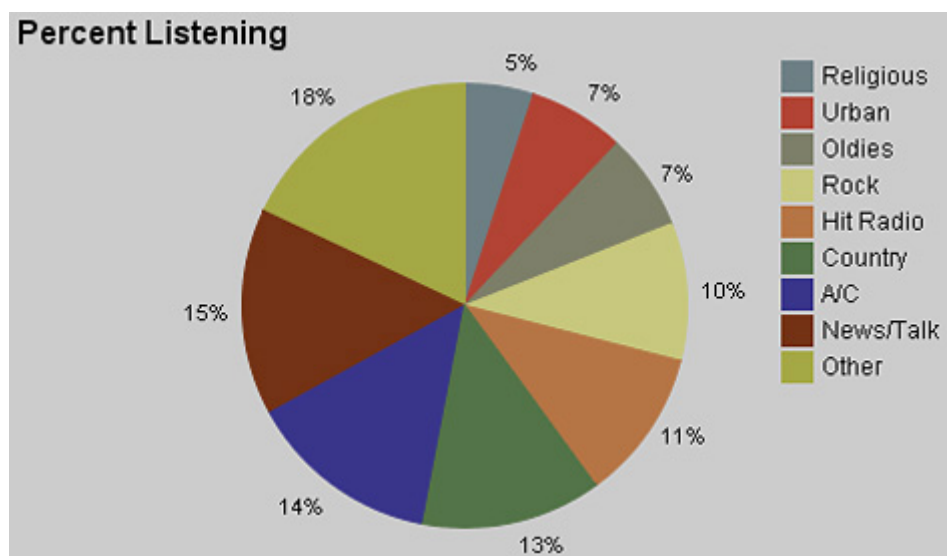
The answer is not as simple as one might think.

BIAfn data indicate that 3 percent of the nation's 13,000 radio stations (or 348) list Talk as their primary format. Some 1,000 have chosen to list their primary format as News (8 percent). We cannot ignore the effect on the findings of self-declared formats and the lack of overall format guidelines. Anecdotal information suggests that many of these News stations might more properly be considered Talk or Information stations. 4

In addition, many stations mix news and talk or news and classical music. Others listed as Spanish-language stations do news in Spanish. These format designations just indicate what represents the majority of the broadcast day, but do not account for what may make up some or even a large minority of the broadcast day.

According to information in Arbitron's 2002 Radio Today Annual Report, 15 percent of radio listeners say their primary radio station is a News/Talk station, the largest single category of radio listeners. 5

What Radio Formats People Listen To, 2002



Design Your Own Chart

Arbitron 'Radio Today' annual report

News/Talk formats have enjoyed a minor increase in audience since 1999 and there have been some – but not huge – shifts in the audience size of other formats. The greatest increases have taken place in Country and Religious audiences (about 3 percentage points each over the last five years), while various other formats, Urban, Oldies and Adult Contemporary, have all declined marginally. 6

Cultural cues may provide some answer. There was the expansion of country music into the mainstream with the popularity of singers and bands like Shania Twain, Garth Brooks and Lonestar.

The September 11 terrorist attacks may provide further explanation. Country music prides itself on its unashamedly patriotic nature, and a turn toward more religious messages might be a logical response to the terrorism followed by war. This would also reflect the rise in religious syndication, particularly in the AM band. One example is American Family Radio, a Christian radio group that is part of the American Family Association. According to BIAfn, the American Family Association owns 107 stations in 36 markets and is the fifth-largest owner in radio today. 7

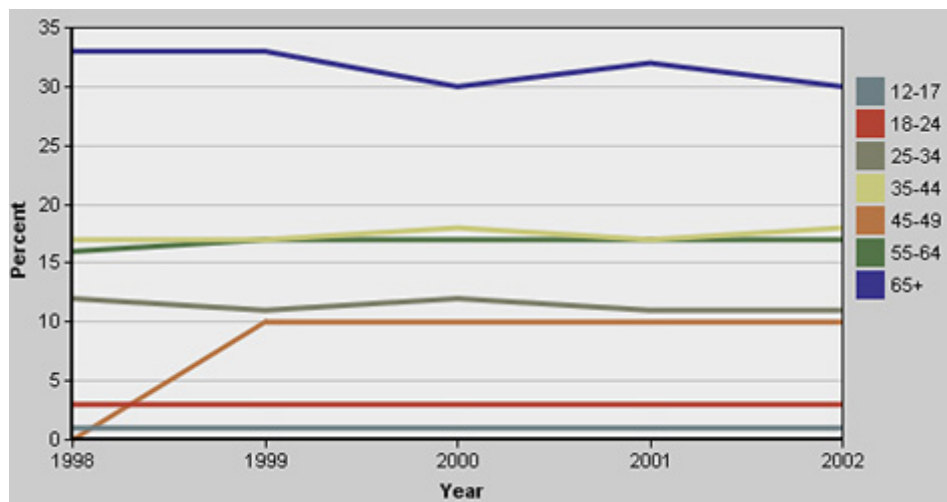
But turning back to News, who are these people who choose News or Talk as their favorite format to listen to? They are a remarkably diverse mix, more diverse, indeed, than most other news mediums. The Arbitron study, for instance, shows a wide educational and economic range among those who listen to News and Talk. While the largest percentage of listeners (40 percent) leans slightly toward college graduates and those making more than \$75,000 annually (35 percent), 13 percent of listeners earn less than \$25,000 annually and list their highest level of education as a high school diploma. 8

This demonstrates another strength of radio: its lack of cost to the consumer. A house may have one or two television sets costing a few hundred dollars each. A newspaper may cost little for the value, but still 50 cents a day. A radio can cost a few dollars to buy and last for years, affordable enough for one in every room, the car and work.

The age of the news audience is also surprisingly diverse. As is the case in other news media (newspapers and network TV), the largest group is people 65 and over (30 percent). Individuals 35 to 44 make up about 17 percent of listeners, as do those 55 to 64. 9

Listeners to News-Talk-Information Stations, by Age

1998 – 2002



Design Your Own Chart

Arbitron "Radio Today" annual reports

* 1998 data includes children's formats.

The news radio audience is more male than female, and it is becoming even more so. Males now account for 60 percent of news listeners, up from 57 percent in 1998.

There is most likely no one reason for the decline in female listenership. It is possible that female listeners have a negative reaction to the aggressive nature of the male talk radio host. Another influence might be traced back to the car. While it is a statistic that soccer moms across the country might want to debate, Bureau of Transportation Statistics data show that women actually spend roughly half as much time on in the car each day than men. The average female driver

tends to spend about 44 minutes per day in the car and drives approximately 21 miles. Male drivers, in contrast, spend an average of 67 minutes behind the wheel and drive 38 miles daily. As noted above, the average overall is 55 minutes. 10

What are we missing by looking only at the News/Talk format to get an idea of the use of radio for news? Namely, the hourly newscast that happens on many music stations, from Country to Hit Radio. To assess the impact of these news segments, we must turn to survey data.

A 2000 survey of radio listeners conducted by the Radio-Television News Directors Foundation (RTNDF) suggests this is an important part of radio news. The vast majority (98 percent) of listeners interviewed indicated that they did not change the dial when news came on and did pay attention during those hourly updates. Fully 41 percent of self-declared heavy listeners indicated that they got news content while listening to a music format station. And 47 percent said that they chose their radio station based on the news it provided. Looking more broadly at all respondents, 88 percent said they listened to news on music stations during the week. Only 2 percent reported changing the station when the news came on. Even when choosing a radio station with an alternative format, the news content available still informed the listener's decision. 11

This may mean that even though radio is perhaps the most narrowly targeted communications medium, it could still involve one component of news consumption that has been unique to broadcasting, the idea that listeners might come across information they did not know they would or should be interested in. The once-an-hour news brief offers the possibility that the teenage Hispanic female who listens only to Urban format stations, the middle-aged White male who listens primarily to talk radio and the older African-American female whose car radio is set to classical programming will all receive information on issues regarding health care, taxes or immigration issues. This so-called incidental knowledge is a critical element in building public opinion about issues of the day.

Nevertheless, this possibility is severely limited by the extreme brevity of these newscasts. One or two minutes once an hour is not uncommon, which leaves room for little more than headlines. A listener might learn that Congress is voting on a new Medicare bill but not understand the impact of the measure. With the growth of media consolidation and such techniques as voice-tracking, any local aspect to this news is even more limited.

Footnotes

1. Arbitron, website data, www.arbitron.org

2. The statistics bureau does not have trend data on this figure. But its data do indicate that that 87 percent of people use their personal vehicle, as opposed to public transportation or some other mode of travel, when making daily travel. Daily travel, as the bureau defines it, includes commuting, shopping and errands and social or recreational trips (visiting friends, relatives, etc.).

3. Arbitron/Edison Media Research, *Internet and Multimedia 11: New Media Enters the Mainstream*, 2003

4. 2002 data from Arbitron list 1,999 stations as News/Talk formats. As noted earlier, there are some discrepancies between numbers cited by Arbitron and those included in BIAfn's data.

5. Arbitron, *Radio Today*, 2003

6. The category "other" is actually higher, but it is a miscellaneous catchall. This percentage has not changed appreciably over the years, even as the radio dial has become more fragmented.

7. BIAfn MediaAccess Pro, unpublished data, www.biafn.com

8. Arbitron, "Radio Today," 2003, p. 38

9. Arbitron, "Radio Today" reports, 1998 – 2003

10. Bureau of Transportation Statistics

11. Radio-Television News Directors Foundation, "The American Radio News Audience Survey," Nov. 25, 2002, p. 11-12, www.rtnfd.org

Economics

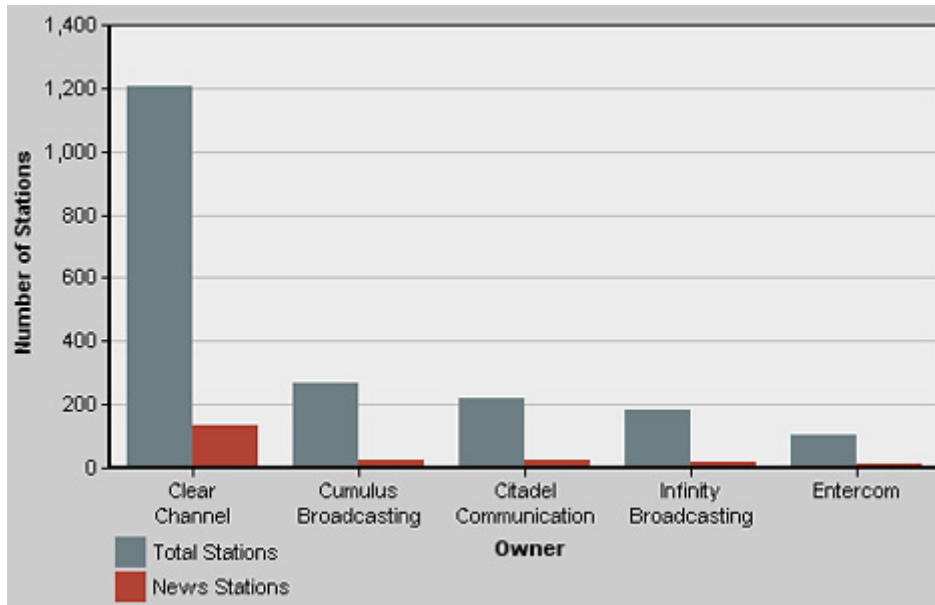
Economics

All the evidence suggests that news remains a vital and profitable component of radio. Some owners appear more successful economically at producing news than others. And it appears to be more important to some companies than others. But outside of one broadcast organization, news is an integral part of the mix for every major company, even if less and less of the news on that station is original local programming. 1

Overall, stations listing news as their primary format (not including Talk stations) brought in revenues of \$1.37 billion in 2002, out of total radio revenue of \$12.72 billion. If we look at just the top-five radio companies for which information is readily broken down, news stations on average account for 11 percent of all revenues, though that ranges from as little as 4 percent at one company to as much as 18 percent of revenues at another. 2

Number of Stations Owned by Top Companies*, 2002

News vs. all



Design Your Own Chart

BIAfn Media Access Pro, unpublished data

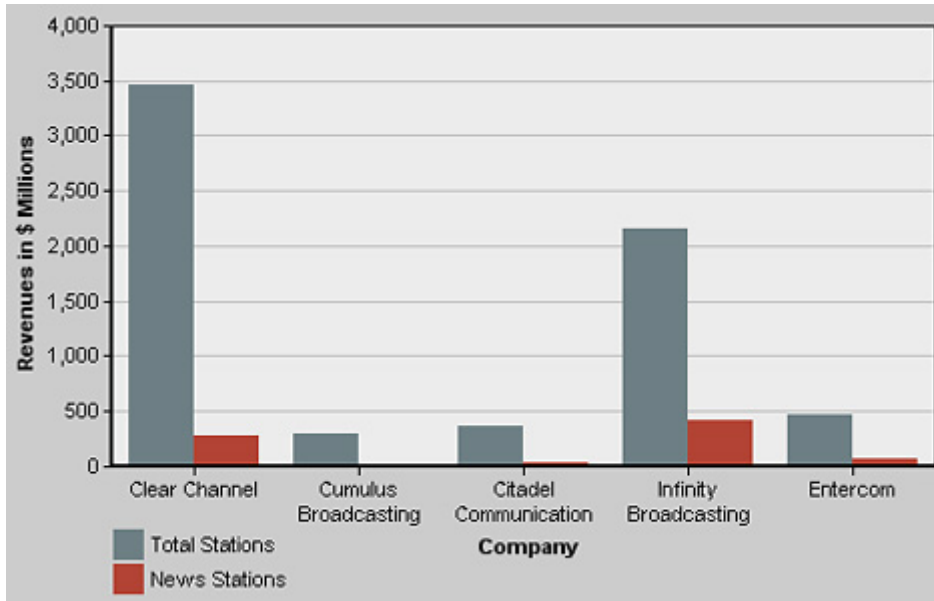
* Top-five companies that own news format stations

News station holdings by some companies appear to do much better than others.

At Infinity Broadcasting, which is owned by Viacom (CBS), 12 percent of its stations are News/Talk, but they provide 18 percent of the revenue. At Clear Channel, on the other hand, 11 percent of the stations are News/Talk but provide 8 percent of revenue. At Entercom, a company that owns stations in a variety of formats and is the exclusive radio broadcaster of the Boston Red Sox and the Kansas City Royals baseball teams, news is also more important, providing 15 percent of its revenue (coming from 13 percent of its 105 stations). These percentages may well be a reflection of the size of the market in which the owners are running news stations. 3.

Revenues of Top Companies, 2002

News stations vs. other stations



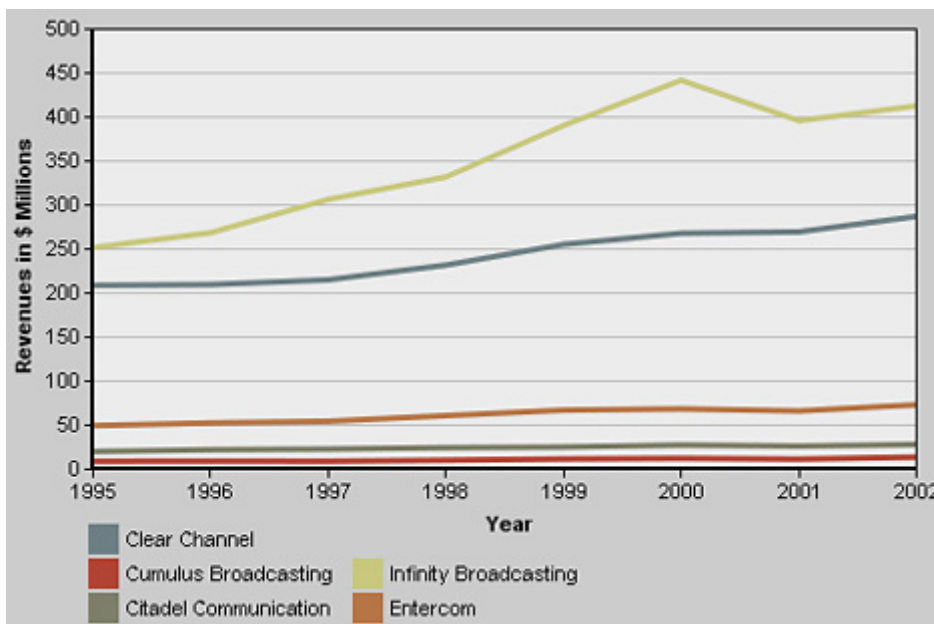
Design Your Own Chart

BIAfn Media Access Pro, unpublished data

*Top-five companies that own news format stations

Revenues from News Stations for Top Companies*

1995 – 2002



Design Your Own Chart

BIAfn Media Access Pro, unpublished data

*Top-five companies that own news format stations

Beyond these broad figures, getting a handle on the economics of news broadcasting is difficult. Again, most of the available data is through surveys. The best source we have found is the annual survey of radio news directors and general managers originally conducted for the Radio-Television News Directors Association (RTNDA), by Professor Robert Papper and Associate Professor Michael Gerhard, who teach telecommunications at Ball State University in Indiana.

The evidence here suggests some confusion over profits, at least at the station management level. In 2003, 25 percent of the news directors and general managers surveyed said that their stations made profits on news, up 10 points from 2002. The majority, 58 percent, reported that they did not know whether their stations made money on news, a figure that has

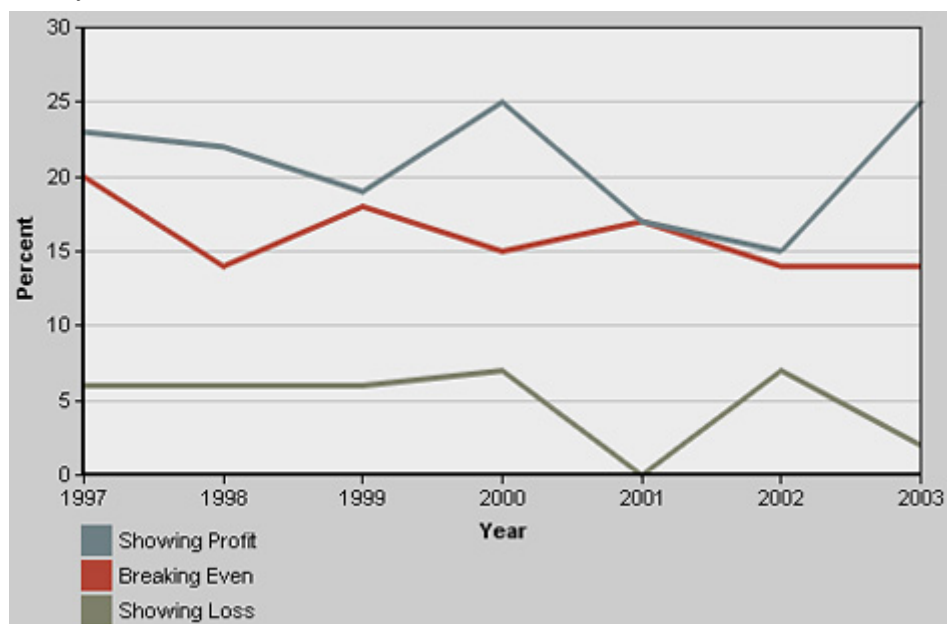
moved around in recent years but has remained above 50 percent since 1996, when the respondents were first given the option to say that they did not know. 4

Why such uncertainty? Part of it is likely traced to the administrative structure of radio stations. News is no longer necessarily a local product in radio. It may be no surprise that general managers at Urban music stations would not know whether the hourly news briefs presented on their stations actually made money, especially if the station in question does not have a news director on staff, but instead runs a report generated by a central organization. Furthermore, a station whose primary format is Tejano or Album Oriented Rock simply might not be concerned enough with the money made by news briefs to do the accounting. They are, after all, selling advertising time based on the audience captured by their music, not their news.

But this should not discount the higher percent reporting profits, and the data suggest that half of that increase came from station executives who reported losing money on news the year before and the other half from those who said they did not know.

Radio News Profitability

Survey of news directors, 1997 – 2003



Design Your Own Chart

Source: "RTNDA/Ball State University Annual Survey," 1997 through 2003

Footnotes

1. BIAfn Media Access Pro, unpublished data. Every station in the American Family Association, the fifth-largest radio group in the country, lists religious as its primary format. The stations do air news, but it is not their primary format.

2. Ibid

3. Ibid

4. Radio-Television News Directors Association (RTNDA), "RTNDA/Ball State University Annual Survey," 1999 through 2003, www.rtna.org

Ownership

Ownership

No area of the media landscape has been untouched by consolidation. With radio, this movement creates an interesting dichotomy. The general public probably understands that network anchors like Dan Rather or Katie Couric do not work at their local television station even though they appear on the same channel as their local anchors. There is even a certain cachet to clearly demonstrating the difference: local television stations market the fact that they are part of the ABC or CBS News family.

Radio, on the other hand, is moving away from such distinctions. Technology has made it ever easier to seamlessly splice pieces of local information into a generic broadcast to give the appearance that the programming is local. Radio listeners may not give a second thought to what company might stand behind their local radio station. They may be aware of the presence of corporations like Clear Channel or Infinity Broadcasting, but they might not understand how large their presence is. More than that, they might not know what impact the ownership question has on what they listen to.

But the level of consolidation in radio exceeds that of most media, particularly in the case of one company, Clear Channel. Because it has become so large, it is viewed, particularly by critics, as a kind of canary in the mineshaft, a harbinger of some of the possible consequences of consolidation. The phenomenon has even taken on a name, "Clear Channelization," so dubbed by Thomas C. Green, a writer for the UK-based IT News Service *The Register*.¹

Understanding the current ownership structure first requires some examination of the level of consolidation that has occurred.

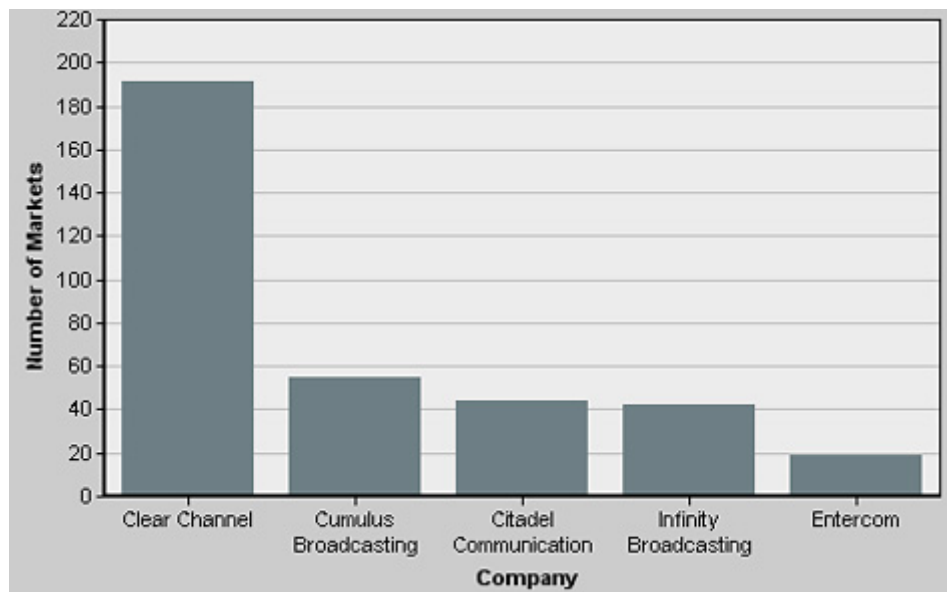
If we look at the top three owners over the last several years we see that, in 1999, Clear Channel, Cumulus Broadcasting and Citadel Communication Corporation, combined, owned fewer than 1,000 stations. Today they own just over 1,600, with Clear Channel owning 1,207 of them. Much of this gain can be attributed to a change in the Telecommunications Act of 1996, which eliminated the rule that capped the number of stations one company could own at 40. That change allowed Clear Channel to acquire the 460-station AMFM Inc. in June 2000. Before that change, Clear Channel owned a mere 43 stations. As of 2002, 21 companies own more than 40 stations each.²

Number of Stations Owned by Top Broadcasting Companies

Owner	All Stations	News	Other
Clear Channel Communications	1207	135	1072
Cumulus Broadcasting Inc	268	23	245
Citadel Communications Corporation	218	24	194
Infinity Broadcasting	184	20	164
American Family Association Inc	107	0	107
Entercom	105	13	92
Salem Communications Corporation	91	6	85
Regent Communications Inc	76	8	68
Cox Broadcasting	76	7	69
ABC Radio Inc	74	5	69
Saga Communications Inc	71	9	62
Educational Media Foundation	64	0	64
Radio One Inc	63	4	59
Univision Communications Inc	61	0	61
NextMedia Group	58	6	52
Entravision Holdings LLC	57	0	57
Waitt Broadcasting Inc	54	3	51
Triad Broadcasting Company	46	6	40
Forever Broadcasting Inc	43	5	38
Beasley Broadcast Group	42	4	38

Combined, the top 20 companies own more than 20 percent of all domestic radio stations. The top-five companies own more than 14 percent of the total number of stations. Clear Channel has stations in 191 of the 289 Arbitron-rated markets. The second-largest organization, Cumulus, only operates in 55. Compare this with the fifth-largest owner, the American Family Association, which owns the Christian radio station group American Family Radio in 36 markets.

Number of Markets Reached by Top Companies, 2002



Design Your Own Chart

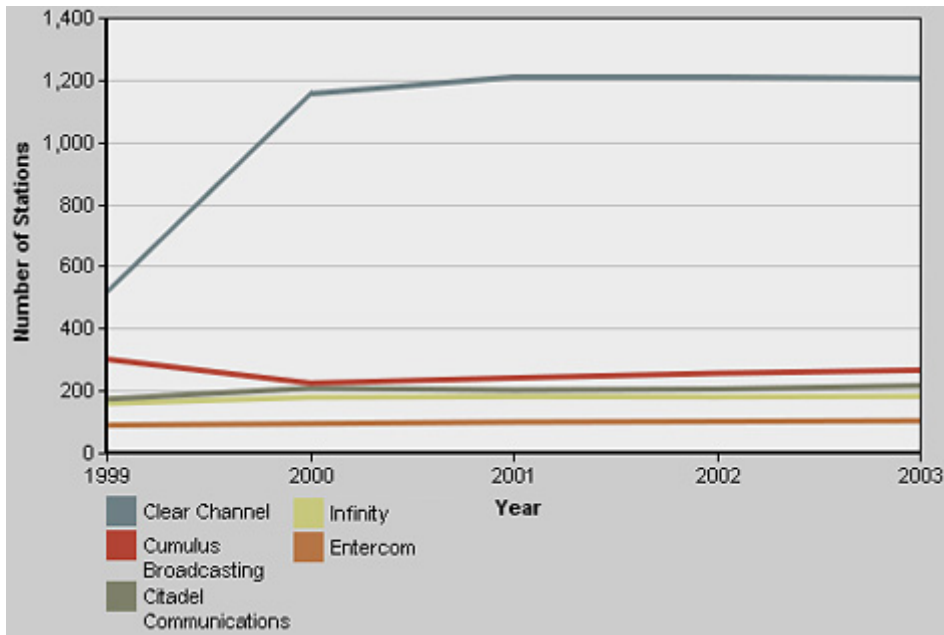
BIAfn Media Access Pro, unpublished data

*Top-five companies that own news format stations

While all this represents significant consolidation, Clear Channel stands apart. It is the only company, for instance, to operate at least one station in each of the 25 top radio markets. ABC Radio and Infinity (Viacom) are the next two companies with the greatest reach, but they each have stations only in the top 10 markets. ³ According to the Future of Music Coalition report, Clear Channel enjoyed a nationwide share of 27 percent share of radio listeners (103.4 million) in winter of 2002. By means of comparison, this would mean that Clear Channel reached roughly one-third of the estimated population of the United States. Only Infinity (Viacom) came close to that with a 15 percent share (59.1 million listeners). From there, percentages drop down below 4 percent share (15.3 million listeners) to include such companies as Cox Communications (3.5 percent share), Entercom (3.4 percent share), ABC Radio (3.3 percent share) and Citadel (2.7 percent share). ⁴

Change in Stations Owned by the Top Companies*

1999 – 2003



Design Your Own Chart

BIAfn Media Access Pro, unpublished data

*Top-five companies that own news format stations

What difference does this make? Critics like the Future of Music Coalition contend it is creating homogenization of culture, making it difficult for new artists and real innovation in music. Groups on the other side, such as the National Association of Broadcasters, contend the superior resources and expanded formatting of modern radio companies has meant more music choices for listeners, not fewer. Those issues are beyond the scope of this report, which is focused on journalism. But one aspect of so-called Clear Channelization, and voice-tracking, the technology of producing the content for radio stations from far away, does have to do with journalism. What is the impact on local cities if there are fewer people, and certainly fewer people working as journalists, at the local radio station?

Critics are quick to point to an incident that occurred in January of 2002. Of the 80 commercial radio stations in the state of North Dakota at that time, 23 of them were owned by Clear Channel. In the city of Minot, N.D., Clear Channel owned all six of the city's commercial radio stations, leaving only a public radio station and a Christian station as alternatives. The situation proved to be critical when a train derailment caused a cloud of anhydrous ammonia that killed one man and sent hundreds to the hospital. 5

What happened next has been debated. The police said that they were unable to contact anyone at KCJB, a Clear Channel station that was the designated emergency broadcast station. The station was utilizing voice-tracking technology. Voice-tracking allows a single host to record programming, which can then be distributed in multiple cities. The content is often punctuated with details specifically related to the listening area to give the illusion that the radio host is local. Clear Channel has said that there were staff members on the station's premises and that the police simply did not know how to utilize the system. It is unclear who was at fault ultimately, but clearly something went wrong.

What other impact has there been on news? According to a Future of Music Coalition analysis of BIAfn data, four companies-Viacom, Clear Channel, ABC Radio and Entercom-now command 67 percent of news radio listeners, some 38 million people, as of May 16, 2003. 6

The National Association of Broadcasters has said there has been no negative impact from this consolidation. The NAB said that a survey of listeners had found that Americans were happy with their radio news and that there were a greater number of formats and availability for listeners than ever before. A December 2002 survey by The Mellman Group for NAB reported that 78 percent of Americans felt that their radio stations played an important role in providing news and information to their communities (37 percent very important and 41 percent somewhat important). In addition, 66 percent said that they were satisfied with the job their local stations were doing in providing them news, information and entertainment programming (37 percent very satisfied and 29 percent somewhat satisfied). 7

The question of consolidation impact is not easily resolved and is more complex than individuals on either side of the debate might want the public to believe. Trying to get an objective, data-centered perspective on the situation is further

complicated by the fact that consolidation has required the readjustment of many of the academic instruments that sought to keep track of the state of news on the radio. For example, while it is true that the number of people in newsrooms is growing, it is also true that those newsrooms are serving multiple news stations and that a good portion of those stations are not even in the same market as the newsroom. By extension, data from the RTNDA suggest that the average radio station is locally producing 44 minutes of news per weekday. But, again, this is now a measurement of what is being produced by news departments, not individual stations. Because these departments are now serving a greater number of stations, it might be extrapolated that there is actually, overall, less news being produced. ⁸ The necessary change in the survey methodology limits any ability to make a precise determination about this.

But we do know some things of importance. Technologies like voice-tracking and the FCC's elimination of requirements that stations produce news and public affairs programming are transforming what used to be a hyper-local medium that offered school lunch menus into a network of hubs, run by central locations where programming decisions are made. In spite of this, statistics on radio listenership and levels of audience satisfaction do not demonstrate either a remarkable level of decline or a level of dissatisfaction out of line with other media sources. Is it that the news being produced under these new situations is not significantly different than the news being produced before? Or is this an impact of the habitual nature of radio usage?

Radio is virtually everywhere — in the gym, at the grocery store, in the car. Are people expressing satisfaction because they believe they are getting the information they need to participate in their community? Or is it that they are satisfied with the news they are getting on their radio station of choice because they tune in for the music and the news content is secondary? When responding to surveys do listeners remember hearing news once an hour and feel that the mere presence (or even lack of presence) of news on their radio station is satisfactory and disregard the content of those reports?

These questions seem to beg increased attention as those who concern themselves with studying radio news reorient their work in this age of massive consolidation.

[Click here to view footnotes for this section.](#)

News Investment

News Investment

The story inside radio newsrooms is not good.

According to survey data, people are not well paid and their numbers are dwindling rapidly. More news directors are being asked to manage multiple stations. Budgets are shrinking.

The main source of information for this are the annual surveys conducted by Bob Papper and Michael Gerhard for the Radio-Television News Directors Association (RTNDA).

Staffing

The RTNDA data through 2001 revealed a steady and sizable drop in radio news staffing over the past decade. In 2001, the average radio newsroom had roughly two people – full-time and part-time combined – on staff (1.95 on average), down from closer to three people a year earlier (2.60 on average). Compare this to 1994, when the average radio news operation had 2.4 full-time people and 2.1 part-time, for a total of 4.5 people. So, in seven years, radio newsroom staffing dropped 57 percent. Full-time employees were down 44 percent. Part-time employees were down 71 percent. ¹

In 2003, consolidation issues required the RTNDA to change its survey methodology. The new figures measure the number of individuals staffing a news department, though not necessarily the news department of a single station. In other words, while the numbers show stations in major markets have an average of six full-time staffers, those six people might be responsible for producing news content for a number of stations. According to data provided by Papper, “The average news department runs news on 3.16 stations... and... more than four in 10 radio news departments (41.9 percent) say they do news for one or more stations outside their own market.” ² Thus, the increase in staffing figures may actually indicate that overall there are fewer staffers per station.

Changes in Radio News Staff and Budget

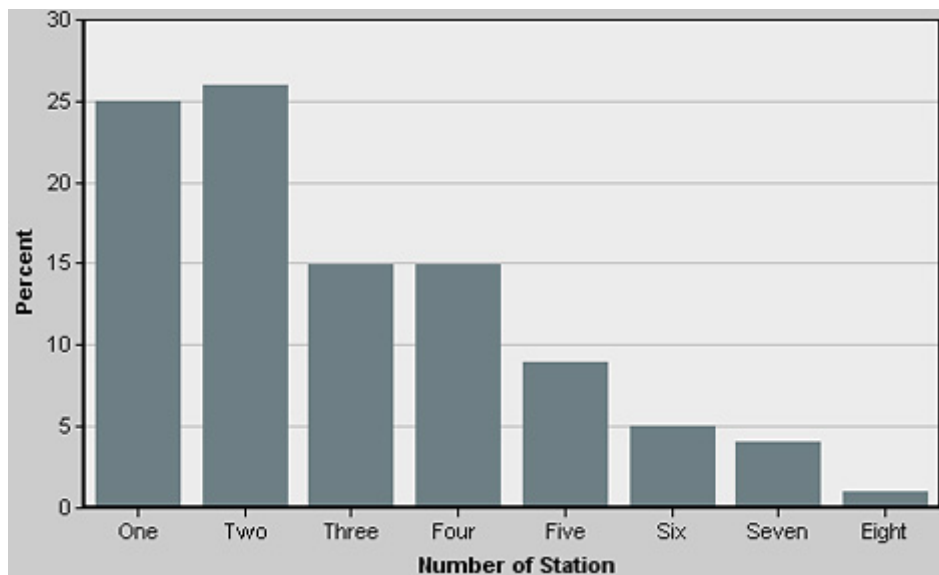
2001 compared to 2000	Increase	Same	Decrease	Not Sure
Total Staff	25%	66	6	3
Amount of News	29%	67	4	0
Change in News Budget	22%	47	3	28
Plan to Change Amount of News Next Year	18%	71	1	10

Source: “RTNDA/Ball State University Annual Survey”

Management

The trends we see in radio news staffing are made further evident as we look at the climb in the number of stations being overseen by a single news director. In 1999, just 3 percent of news directors were managing five or more stations. In 2000, that total jumped to 12 percent and, according to the RTNDA’s data, that number has leaped to more than 18 percent in 2003. Just one-quarter of all news directors surveyed were managing news at a single station.

How Many Stations News Directors Oversee, 2003



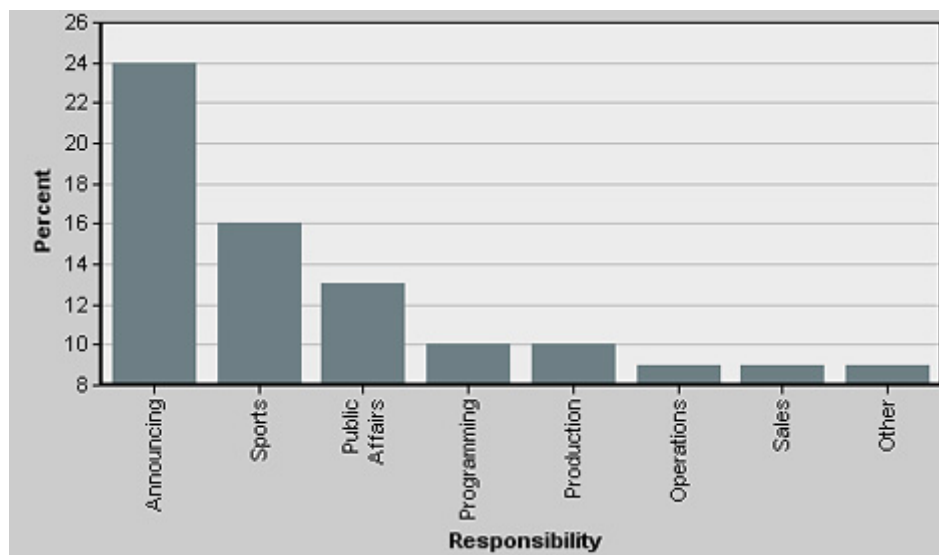
Design Your Own Chart

Source: "RTNDA/Ball State University Annual Survey," 2003

These news directors also increasingly do more than news. More than 75 percent of news directors said they had responsibilities beyond the news, including programming, announcing and operations (the technical side of radio), an increase of 9 percentage points in just a year ago. This is true even in the major markets, where more than half say they have multiple responsibilities. The number of news directors who said they also handled sales appears to be continuing a slow climb from 6 percent in 1999 to 9 percent in 2003. 3

Other Radio News Director Responsibilities, 2003

Survey of news directors



Design Your Own Chart

Source: "RTNDA/Ball State University Annual Survey," 2003

Budget

When it comes to budgeting, there are signs of growing uncertainty. Nearly half of all stations (46 percent) had the same news budget in 2001 as the year before, a figure that has remained stable for 2002 and 2003. Ten percent either had or anticipated budget cuts according to 2003 figures, compared to just 3 percent in 2001. Roughly than 18 percent anticipated an increase in the news budget, which is down from 22 percent in 2001. Certainly some of this, however, was likely influenced by the recession of 2001. 4

Salaries

With the consolidation in radio that has occurred since 1998, pay has improved substantially according to the Papper survey. Between 1998 and 2003, news directors' salaries have risen 24 percent, anchors' salaries 23 percent and reporters' salaries 15 percent.

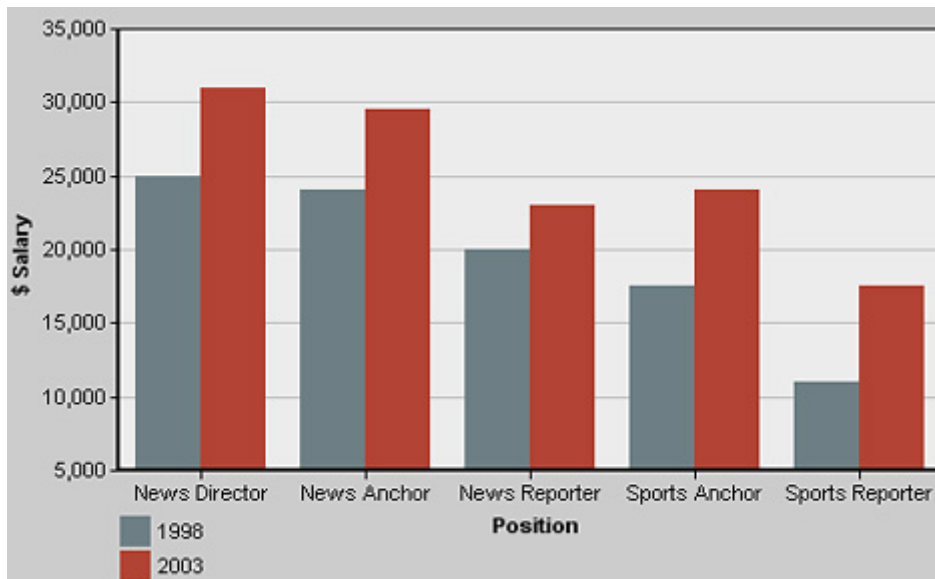
But these percentage increases do not tell the whole story. Consider, for instance, that the salary for a radio sports reporter has increased almost 60 percent since 1998 but still sits at less than \$18,000 a year. Radio journalists are not highly paid. The median, or midpoint, salary for a news director in 2003, according to the RTNDA data, was \$31,000 a year, or roughly \$15 an hour, assuming a 40-hour work-week.

The typical salary for radio anchors was \$29,500, about \$14 an hour. And the median salary for news reporters was \$23,000 a year, less than \$11 an hour.

What's more, as the RTNDA data would seem to indicate, consolidation has meant fewer people doing the news, and those who are left frequently have multiple responsibilities. But the 2003 data shows that there is just barely an 8 percent difference in the salaries of news directors who handle one station (\$31,000) and those who handle three or more stations (\$33,500). For news anchors that jump is almost 15 percent. For news reporters, however, the salary drops as they cover more and more stations. It is possible that these lower salaries lead reporters to work with more than one outlet. Or it could be that, in this age of media consolidation, the importance of the news reporter declines as the number of stations served by a single news outlet grows. In other words, if one reporter can provide reporting for nine stations thanks to a central feed, what impetus do large radio corporations have for increasing, or even maintaining, reporter pay? 5

Radio Newsroom Salaries

Survey of news directors, 1998 & 2003



Design Your Own Chart

Source: "RTNDA/Ball State University Annual Survey"

* Median salaries

Footnotes

1. Radio-Television News Director Association (RTNDA), "RTNDA/Ball State University Annual Survey." Web site: www.rtna.org

RTNDA is the world's largest professional organization devoted exclusively to electronic journalism. RTNDA represents local and network news executives in broadcasting, cable and other electronic media in more than 30 countries. RTNDF promotes excellence in electronic journalism through research, education and training for news professionals and journalism students. The Foundation's work is supported by contributions from foundations, corporations, members of the Radio-Television News Directors Association, and other individuals. Its code of ethics can be found here: <http://www.rtna.org/ethics/coe.shtml>.

2. Ibid.

3. Ibid.

4. Ibid.

5. Ibid.

Public Attitudes

Public Attitudes

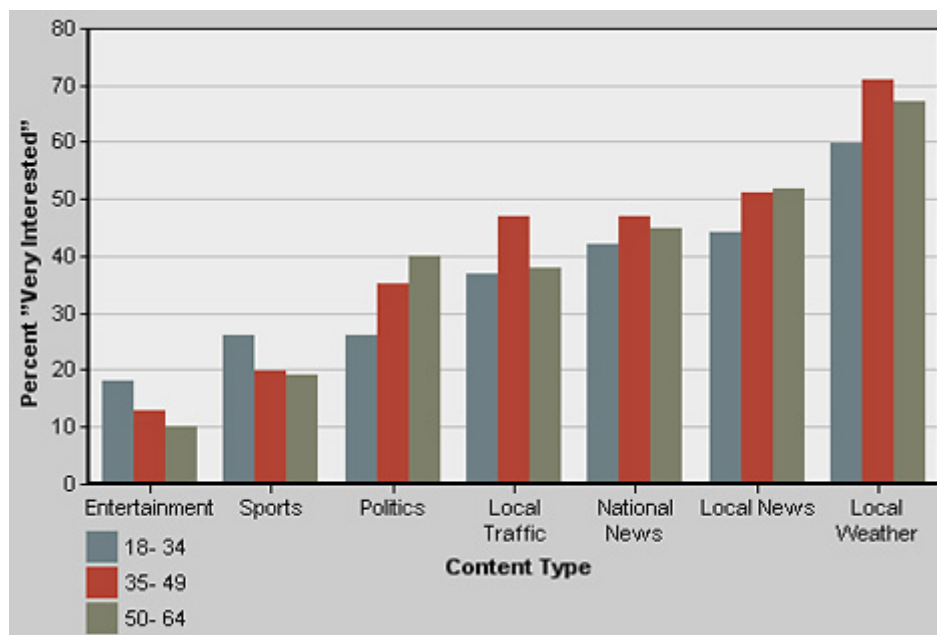
Audience numbers show that people turn to radio on a regular basis and their listening patterns demonstrate that radio is a solid and stable medium. But, are people listening out of habit or loyalty, or do they feel they are getting something unique from radio? Do they tune into news radio because they are trapped in the car or because they are looking for information they can trust?

If we look at radio in comparison to its sister mediums, survey data from the Pew Research Center for People and the Press indicate that radio falls below newspapers, television and the Internet as the public's primary source for national and international news. This is not surprising. With the exception of such programming entities like NPR, the BBC and the ABC Radio Network, listeners tend to identify radio as a local medium and rely on it accordingly. When the Radio-Television News Directors Foundation (RTNDF) surveyed individuals about their interest in news content on the radio, the top answers were items that were immediate and local: weather, news and traffic. ¹ These are areas where the nature of radio becomes its strength. The weather box on the front page is set the moment the newspaper leaves the press and, while local television news and online editions of local newspapers are able to provide up-to-the-minute traffic reports, few individuals (currently at least) have televisions or online capabilities in their vehicles.

But again, are we seeing examples of radio as a vital medium or a default medium? What do people think about radio?

What Kind of News Interests Listeners by Age, 2000

Percent "very interested" in each type by age group



Design Your Own Chart

Source: Radio-Television News Directors Foundation, "The American Radio News Audience Survey."

A September 2003 survey conducted by Zogby International on behalf of the National Association of Broadcasters reported that 84 percent of the people responded that radio played an important role in providing news and information to their community (53 percent said very important and 31 percent said somewhat important). The same survey suggested that 49 percent of Americans turn to radio on a daily basis for news, weather, traffic, sports and community activities. Findings from the Pew Research Center survey mirror the Zogby results, with 48 percent of respondents saying they listened to news on the radio regularly. ²

It seems impossible to predict, given the data available, whether further conglomeration of radio stations will affect public perception of radio as a reliable, local medium. While it may not be the top moneymaker of an organization, evidence shows that it enjoys a constant, consistent and loyal audience..

If local TV news has its more sensationalized stations, radio has its “shock jocks.” But the highly specialized or compartmentalized nature of radio formatting allows more precise selection by listeners. There is rarely confusion or overlap between the more radically opinionated talk radio station and, say, an NPR news station. When asked what they considered to be news, respondents to the RTNDF survey were very clear. Of individuals who considered themselves to be “news followers,” 80 percent said they felt that both reporting on the stock exchanges and traffic updates were news and 89 percent thought daily weather reports were news, but only 24 percent said that felt that shows like Rush Limbaugh’s or Dr. Laura Schlessinger’s were news reporting. 3

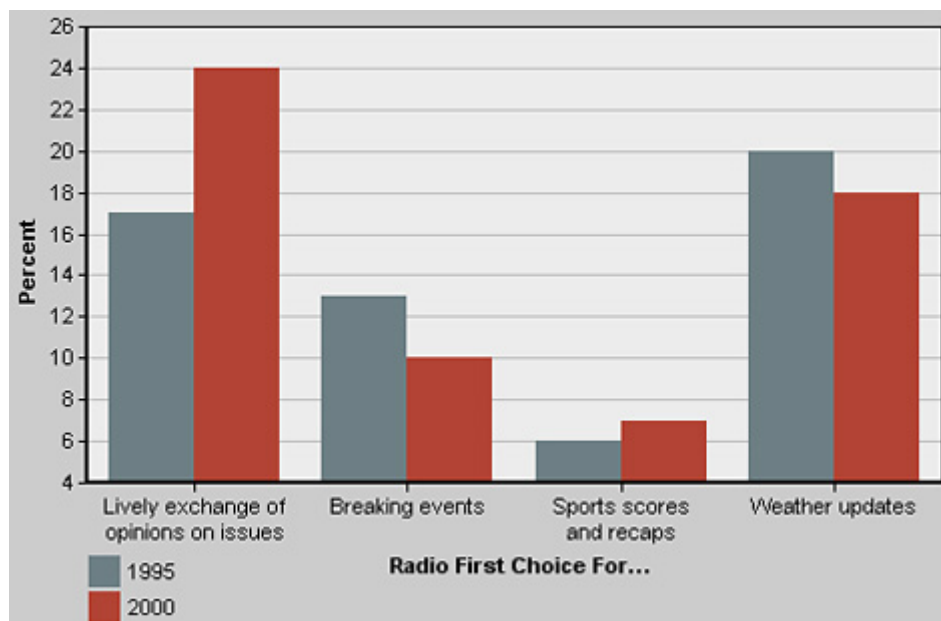
This would seem to fall in line with a January 2003 Gallup Poll that found that 22 percent of Americans relied on Talk Radio as their primary news source, double from four years ago. 4 While the percentage was viewed by some media organizations, and even some hosts of talk radio shows, as troubling, it is not surprising when the broader outline of radio as an information medium is considered. Radio is a medium that has evolved into one with an eye toward very specific formats. Because of its segmentation, despite the fact that formats are not always clearly and consistently delineated, it fosters a situation where listeners will go to the outlet of their own choosing. Many talk radio stations present themselves with a clear and well-defined position and philosophy that their programming holds closely to. It allows listeners, who might be interested only in a particular mindset or the opinions of a particular host, to select the portion of the dial that they feel best suits their needs or may, in fact, be filling a void they feel is left open in other media sources.

Where advances in television and in technology have worked to give viewers and Web surfers increasing amounts of information (think of the now ubiquitous cable television news channel “crawl” or even the less welcome Internet pop-up ad), radio advances seem to open more options for paring things away. The evolution of radio has given listeners increasing control over the kind of content they want to receive. Satellite radio entities like XM radio and Sirius, due to an enormous number of niche station types, allow listeners an almost surgical control over what type of music or talk they listen to. Thus, the Rush Limbaugh listeners can go to their spot on the dial, the Pacifica radio listeners to their spot and the NPR listeners to another. According to the same Gallup Poll survey, 22 percent of the respondents said that they got their daily news from an NPR affiliate station. 5

All spots on the dial offer listeners another element that seems important to the strength of radio. Radio, to a greater degree than the newspaper and even local television, has the ability to provide citizens with the opportunity for participation in the public forum. The letter to the editor or online submission to an Internet site seems to be a far more passive and less personal interaction than hearing one’s voice on the radio. Even more importantly, the radio call-in show involves response from either the host or program guests. While some might debate the “news” value of such programming, the level of audience engagement is indisputable. There is a great value to responsible, considered dialogue on critical issues between experts and the general public.

When Listeners Choose Radio First

Survey of radio news listeners, 1995 vs. 2000



Design Your Own Chart

Source: Radio-Television News Directors Foundation, “The American Radio News Audience Survey.”

* Question: Please tell me which one — TV, radio, online sources, newspapers, etc. — you are most likely to turn to

Radio also has a certain advantage as a broadcast medium because it is audio. Radio has the ability to be instantaneous, to break in with important news without concern for having a crew on the location of the event or having to get good pictures. This is not to say that getting reporters to a location for segments is never an issue, but it is less critical than television. One radio personality, remembering a live event he broadcast from the front gates one of Martha Stewart's summer house in Maine after Stewart purportedly blocked a tour group from her property, said that some people listening to his show later asked him if he had really been on location. It's a question a television reporter would generally not have to answer.

Freedom of location might be part of the reason why 84 percent of those responding to Zogby International's NAB 2003 survey said that radio would be very important in "the event of a terrorism attack, mass power outage, inclement weather or other catastrophe." ⁶ Another likely reason is practical. Radios can run on batteries, it is an available outlet for individuals traveling by car, allowing constant contact with an event, and it is local, allowing listeners to feel as though they are receiving information specific to their own safety as defined by their community's situation.

Footnotes

1. Radio-Television News Directors Foundation (RTNDF), "The American Radio News Audience Survey," 2002.
2. NAB/Zogby International Survey, "Americans Love Their Radio," Oct. 6, 2003.
3. RTNDF, "The American Radio News Audience Survey," 2002.
4. Information taken from Steve Carney, "Radio: Around the Dial: 22% of Americans get news from talk jocks", Los Angeles Times, Friday, January 10, 2003.
5. Ibid.
6. NAB/Zogby International Survey, "Americans Love Their Radio," Oct. 6, 2003.

Conclusion

Conclusion

When we look at the state of radio, we find a medium that is stable though often overlooked. The stability is a testament to the fact that each technology has its own enduring strengths. In the case of radio, its resilience is traceable in part to the fact that listening to it has become so much a part the daily routine of most Americans that it has faded into the background. The radio is something that comes on when the bedside alarm goes off, when the car is started, when you walk into the gym.

At the same time, it is hard to calculate the full impact of the changes the medium has undergone, especially the loss of localness in news. There is merit to the argument that it is beneficial for more stations to broadcast news. It means that people going to the radio for music, talk or religious guidance are also getting information about public life. On the other hand, the evidence clearly suggests that news on the radio, particularly in small towns, smaller cities or even regions, is increasingly something from far away — national headlines, CBS News, NPR. The distribution of news from central newsrooms, as opposed to newsrooms in the stations themselves, might seem to argue against social fragmentation. People getting the same news are brought together. But radio once stood out as a local news medium, like newspapers, and that, in a growing number of communities in America, is no longer the case. While there are more outlets, or more spots on the dial, the diversity of sources actually producing the news has shriveled. Even more important, the events in one's town, knowledge of local institutions, the ability to rally around local crises, even awareness of local people, charities and problems, are all eroded.

The implications are subtle but far-reaching. The political culture, like the music, becomes homogenized. The adage that all politics is local becomes less true. The ability to deal with local problems becomes more difficult as an important mediating institution in town, local radio, disappears.

The anecdotal evidence that the content of radio news has diminished, even if the quantity has expanded, is a reminder that quantity and quality are different.

Ethnic/Alternative – Intro

By the Project for Excellence in Journalism

Introduction

Of all the sectors of the news media, the Ethnic and Alternative media in America are still in many ways the most fluid. Even defining terms is complex. There are not one or two ethnic media, but dozens. The elements of the Spanish-language media in the United States do not have one ethnicity, but they do have one language. Some sectors of ethnic media are big business. Others are more political and less commercial. What once was called the alternative press, weekly newspapers in many cities, really in some ways represents an entertainment and long-form print weekly rather than a political alternative press. Beyond this, there is something some scholars refer to as the “dissident” press, which is separate from this alternative.

Indeed, ethnic and alternative media, though usually lumped together, are two distinct categories, and they will be dealt with here separately. Hence generalizations and conclusions are necessarily difficult. In some parts of the ethnic media, owners of small regional outlets are still important players. Ethnic populations change rapidly. And the markets vary widely by ethnicity. Meanwhile, in the so-called “alternative” press, while the companies are hardly household names, consolidation is rapidly changing the medium.

Nonetheless, these media are important to consider. Many of them are growing fast, in contrast to the contraction of the mainstream media. Just as important, in many ways, they are closer to their audiences and less focused on profit demands, which makes them more flexible and more a leading indicator of cultural change.

This chapter will look at these two media using the following structure:

- An Overview of the Ethnic Media and the nation’s ethnic makeup.
- The Spanish-Language Media
- The Black Press and the Asian Press
- Other Ethnic Media
- The Alternative Press

Ethnic Media Overview

Ethnic Media Overview

The ethnic media are growing rapidly in the United States.

This can be particularly said of ethnic newspapers, the media for which there are the most data. Yet anecdotal evidence suggests the trend is also true for radio and television.

Even with this growth, large chains have yet to take over ownership beyond some of the Spanish-language media. In fact, ethnic media are among of the few areas left where the focus tends to be local. Even national associations linking these media are rare.

Because of limited available data, this chapter will focus on only a few areas in the ethnic media. It will first look at Overall Trends, examining a broad range of ethnic media. Then it will focus specifically on the Spanish-Language Media – newspaper and television. (Data on Spanish-language radio is even harder to come by, as is radio data in general, and is not included in this year's analysis.) Finally, it will briefly discuss Other Ethnic Newspapers.

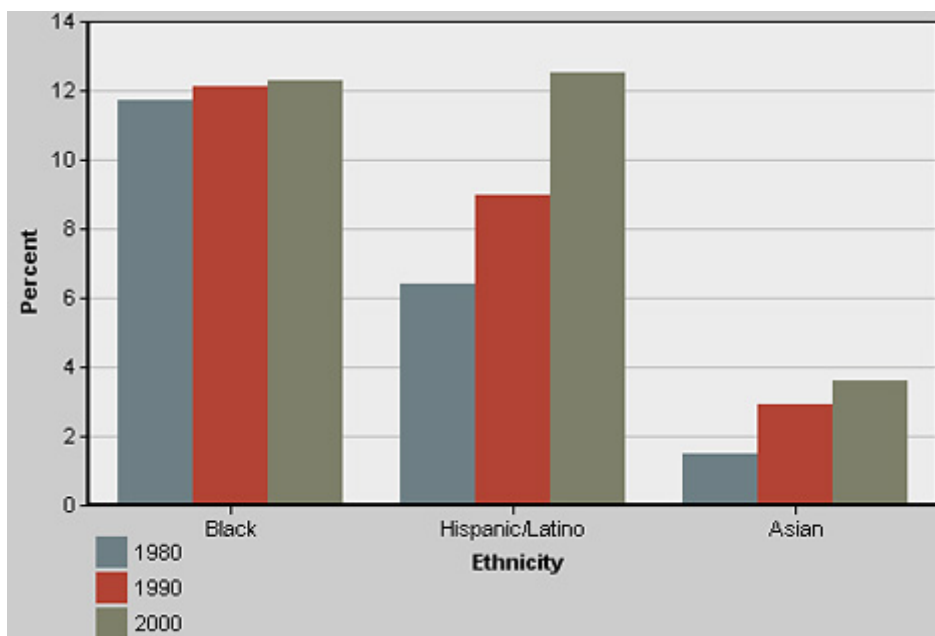
While this is far from a comprehensive look at the ethnic media in the United States, it is a beginning. There are indications that the ethnic media in the United States are beginning to merge, and more data are likely to become available in the coming years. In the future, with more data, we hope to give this growing segment of the news media more thorough examination.

General Trends

Looking simply at the demographic shifts over the past years, it would stand to reason that the nation's ethnic media would grow. Between the 1980 and 2000 censuses, the number of people identifying themselves as White fell from 83 percent to just over 75 percent of the U.S. population. ¹ At the same time, other demographic groups increased. The Asian/Pacific Islander population, for example, grew in real numbers and as a percentage of the whole. People in that group constituted 1.5 percent of the population in 1980 and 3.6 percent in 2000. ²

The biggest growth came in people who identified themselves in the U.S. Census as Hispanic or Latino. In 1980, this population of 14.6 million was 6.4 percent of the U.S. population. By 2000, there were 35.3 million self-described Hispanic and Latinos representing 12.5 percent of the U.S. population, surpassing blacks ³ as the largest minority group in the country. ⁴

Minorities as a Percentage of U.S. Population



Design Your Own Chart

U.S. Census Bureau Charts – Race and Hispanic or Latino: 2000, Race and Hispanic Origin 1790 to 1900

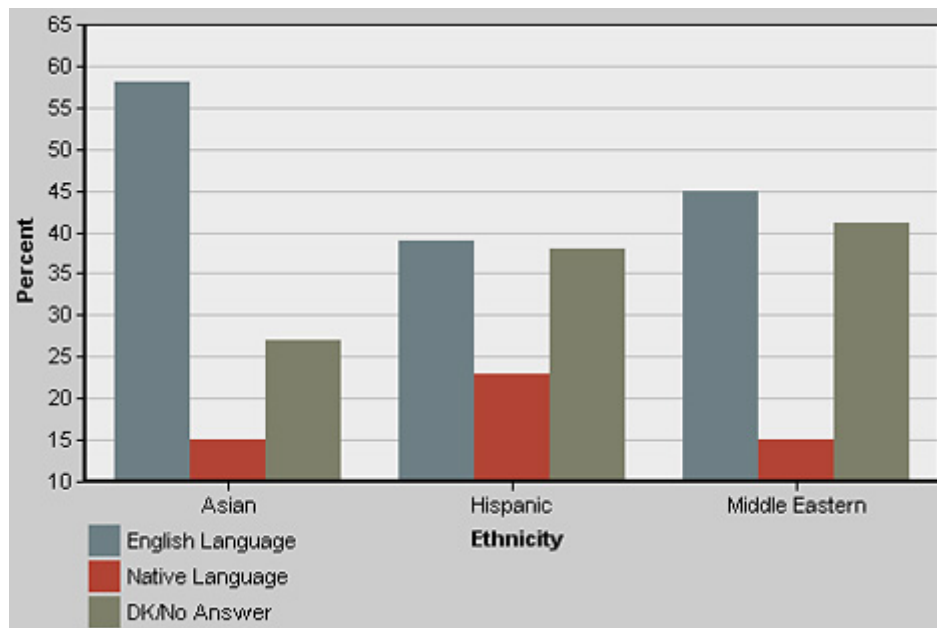
Beyond simple ethnicity, and perhaps more to the point, there has been a large rise in the non-English speaking population. Between 1990 and 2000, the number of people not speaking English at home grew from 31.8 million to 47 million – an increase of 48 percent. Spanish speakers led the growth, going from 17.3 million in 1990 to 28.1 million in 2000 – an increase of 62 percent. It should be noted that more than half of those Spanish speakers reported that they could speak English “very well.” Chinese was second in growth, climbing from 1.3 million in 1990 to 2 million in 2000, an increase of 54 percent. 5

How do those ethnic groups use their native-language media? In summer of 2002, New California Media polled 1,000 adult Californians of various ethnicities – 300 Asians, 300 Middle Easterners, 200 Hispanics and 200 African Americans. The data, among the most extensive gathered in this area, provide an interesting look at which media various ethnic groups trust most and which have the biggest reach within each group.

The findings are twofold. First, all of the four ethnic groups examined here – African Americans, Asians, Hispanics and Middle Easterners – tend to trust English-language media outlets more than native-language ones. Hispanics are the most likely to find their native-tongue outlets trustworthier than English-language, though that is still the minority. Among Hispanics, 39 percent find the English-language media most credible while 23 percent say this of the Spanish-language media (38 percent did not answer). Among Asians and Middle Easterners, the gap is wider. Nearly 60 percent of Asians say English-language media are the most credible, while only 15 percent say this of the Asian. Similarly, more than four-in-ten Middle Easterners say they trust the English-language media the most, compared with just 15 percent who say this of news outlets in their own language. 6 For all three ethnic categories, the number of those not answering is unusually high.

Which Media Are Most Credible, by Ethnic Group, 2002

Survey of 1,000 Californians*



Design Your Own Chart

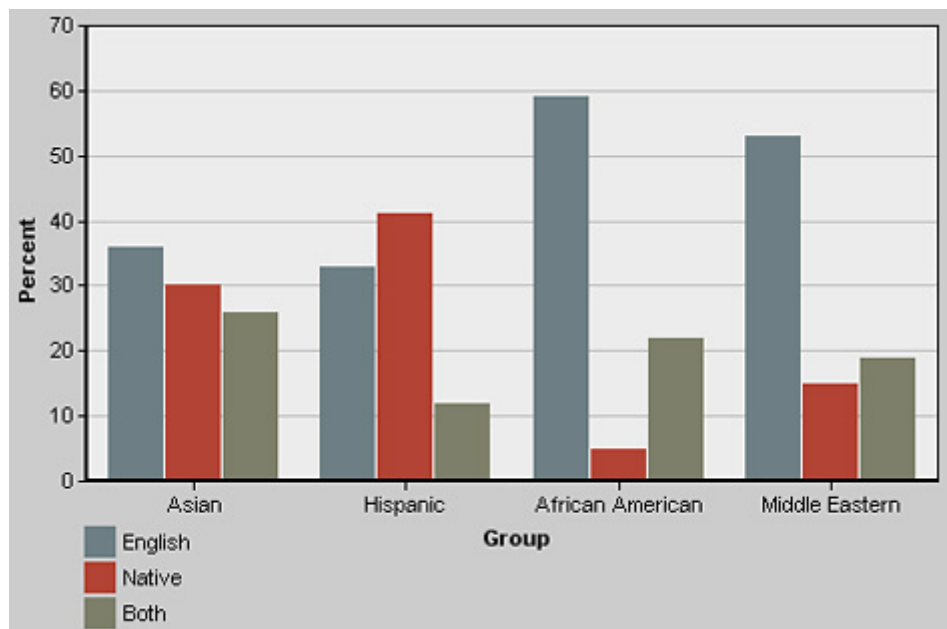
New California Media/Bendixen & Associates, "Justice and Journalism," survey, July/August 2002

*Question: Who do you think holds more credibility?

The higher trust among Hispanics may have something to do with the size and scale of Hispanic outlets. Farthest along of the native-language media in terms of development and size, these outlets may have more of a professional look and feel.

The second main finding concerned how much different ethnic groups turned to their native-language media. In every category Hispanics relied more heavily on their native-language media than the other groups. For instance, 41 percent of Hispanics read mostly the Spanish-language newspapers, compared with 30 percent of Asians who read newspapers mostly in their languages and 15 percent of Middle Easterners. A mere 5 percent of African Americans relied mostly on newspapers targeted at American blacks. 7

Types of Newspapers Various Ethnic Groups Primarily Read, 2002
Survey of 1,000 Californians*



Design Your Own Chart

New California Media/Bendixen & Associates, "Justice and Journalism" survey July/August 2002

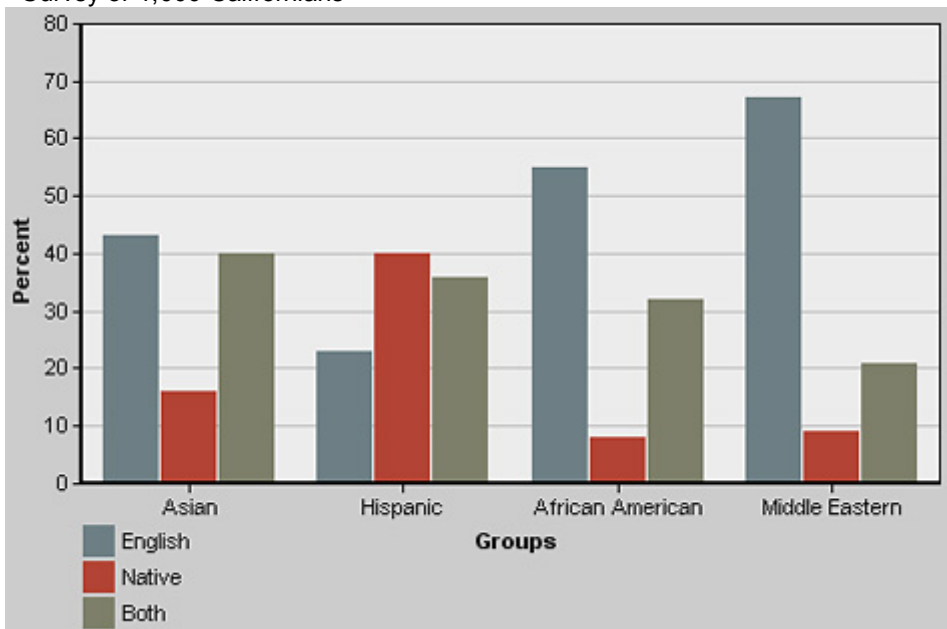
* Question: Which newspapers do you mostly read...?

It is also important to note that the other ethnicities are more likely than Hispanics to read both their native-language and an English-language newspaper. If the percent who read in their native tongue and those who read in both their native tongue and English are combined, the other ethnicities are closer in line with Hispanics – and Asians actually report a slightly higher percentage. Fully 56 percent of Asians read a newspaper in their native language or read both native-language and English newspapers. That is true for 53 percent of Spanish speakers. 8

This reliance on ethnic media, however, varies by technology. In television and radio, Spanish-speaking audiences are by far the most likely to use native-language outlets, even when one adds in respondents who say they use both native-language and English outlets.

Language in Which Various Ethnic Groups Mostly Watch TV

Survey of 1,000 Californians*



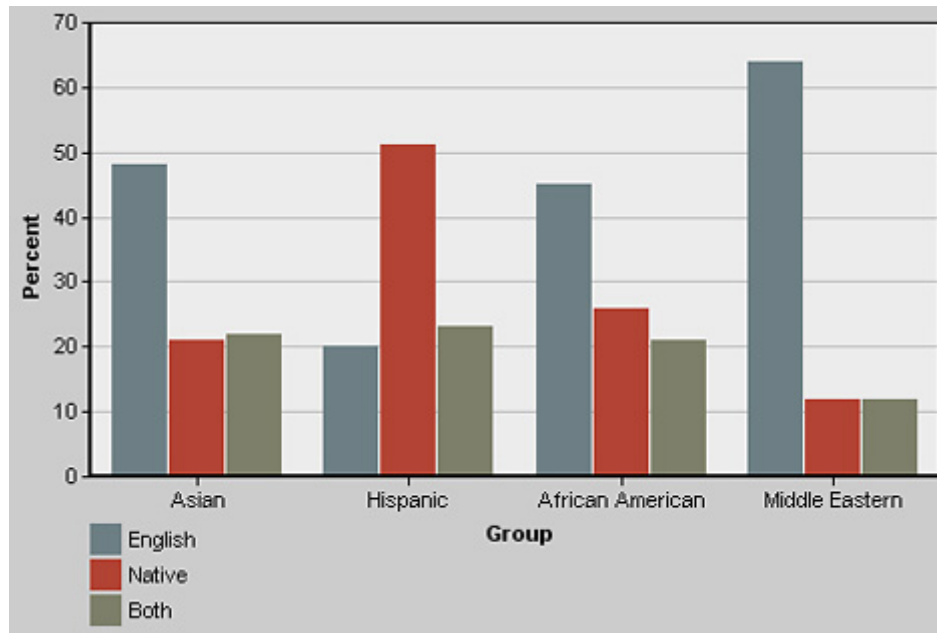
Design Your Own Chart

New California Media/Bendixen & Associates, "Justice and Journalism" survey July/

August 2002* Question: Do you mostly watch television in ...?

Radio Stations Various Ethnic Groups Mostly Listen To, 2002

Survey of 1,000 Californians*



Design Your Own Chart

New California Media/Bendixen & Associates, "Justice and Journalism" survey July/August 2002

* Question: Do you mostly listen to English radio or native radio?

There are, of course, many possible reasons for this disparity. Hispanic audiences have more media aimed directly at them. ⁹ In many areas, they have more than one newspaper to read in Spanish and two networks that broadcast only in Spanish. There is also the possibility that, particularly in border states, many of the respondents to the poll spent time in both the United States and Mexico and, without the need to learn English, they simply rely on Spanish media.

Whatever the reason though, one thing is clear: the Spanish-language media market is large and growing.

[Click here to view footnotes for this section.](#)

Spanish Language Press

Spanish Language Press

Among the various ethnicities, the Spanish-language media stand out for their remarkable growth and for having solid national figures that are measurable. Numbers from recent years show a newspaper market that is quickly maturing and a television market that is booming.

Some trends among the Spanish-language media are particularly worth highlighting:

- Circulation of Spanish-language dailies has more than tripled since 1990.
- Ad revenues of Spanish-language dailies have grown more than sevenfold since 1990.
- Ownership of Spanish-language television and radio has seen serious consolidation over the past decade to the point where there may soon be only two real players in the market.

Beyond simple population growth numbers, the Spanish-language media have one important element helping their explosive growth. Unlike other ethnicities, these news outlets benefit from the fact that language, in addition to culture, define their target demographic group. Hispanics who trace their origins to many different countries all share Spanish as a common language (other than the relatively few who speak Portuguese, mainly those whose backgrounds are Brazilian). This is a huge advantage over, say, the Asian media, in which the target readership comes from different nationalities and ethnicities that speak different languages. Spanish-language publications can be read by people from Mexico, Puerto Rico, Cuba and the countries of Central America, South America and the Caribbean. In fact, the ethnic backgrounds and experiences of readers can be quite different even as they all read the same “ethnic” newspaper. It is not ethnicity that determines audience; it is language. That is why, for instance, Telemundo and Univision can be national networks, even though they are broadcasting to an audience with varied national backgrounds – a heavily Cuban community in Miami, a more Puerto Rican community in New York, and a predominantly Mexican community in Los Angeles.

But that defining characteristic also means the Spanish-language media can vary greatly from city to city depending on the ethnic background, income and education of the audience. The Project for Excellence in Journalism’s Local TV News Study in 2002 found different news depending on location. In Miami, for instance, the news had a Caribbean flavor, with a distinct focus on Cuba. In New York, with a very diverse Hispanic population, the news was more cosmopolitan in attitude, with a focus on Puerto Rican and Dominican issues. Stations in the southern United States and Los Angeles had a particular interest in Mexican border issues. ¹

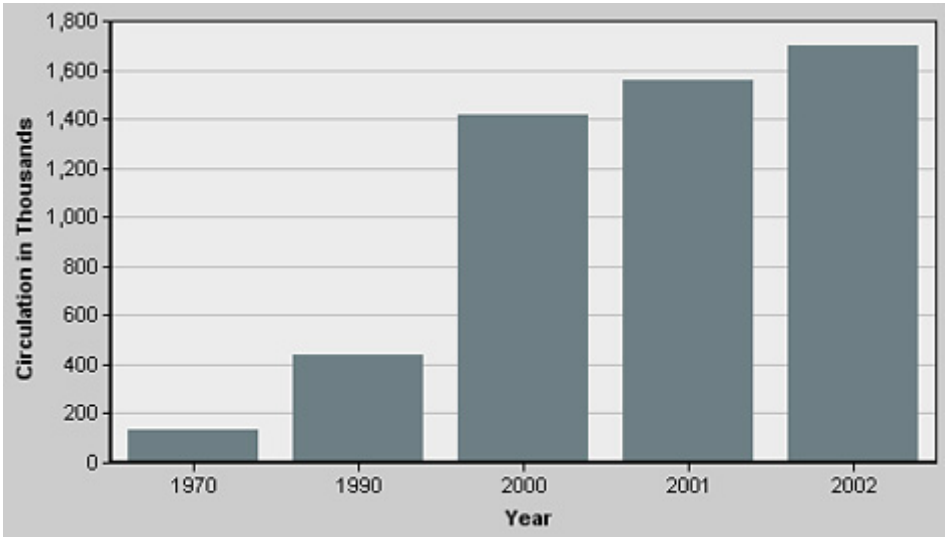
What this means for the future of national Spanish-language media is unclear. While advertisers have an interest in trying to reach the entire population (that large block of same-language consumers is, in fact, its primary appeal), there may be questions around programming. What is “news” is guided by more than the language. The issues of the day for a Puerto Rican in New York might be very different than the issues for a Mexican in Texas. How those gaps will be bridged remains to be seen.

SPANISH-LANGUAGE NEWSPAPERS

Circulation

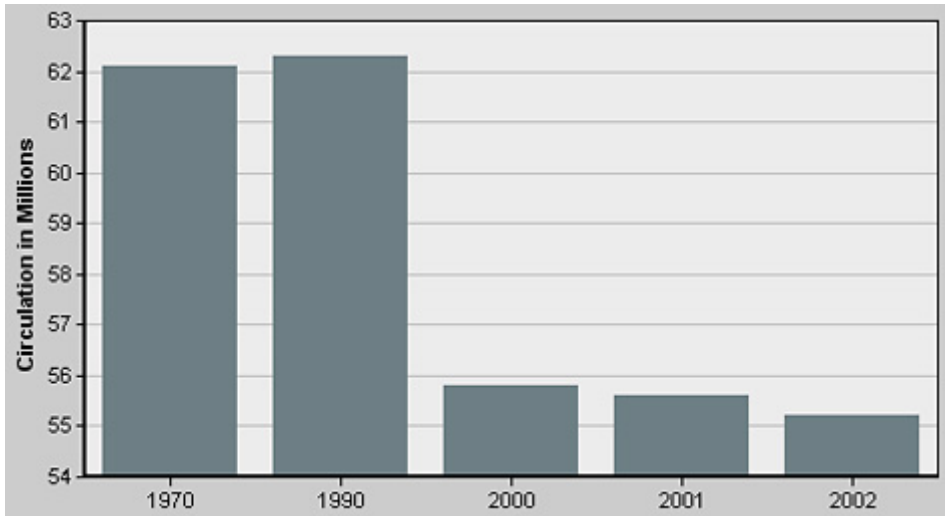
One area that has seen sharp growth is Spanish-language newspapers. Overall, the combined circulation of Spanish-language daily newspapers in the United States has gone from less than 140,000 in 1970 to more than 1.7 million in 2002 and is still climbing, according to the National Association of Hispanic Publishers. Particularly noticeable is the sharp increase in circulation from 1990 to 2000, which coincides with the Hispanic population growing to become the nation’s largest minority group. ² The figures for circulation are even more stunning when contrasted to declines among English-language newspapers in this country. Since 1970, the number of English-language newspapers has been declining, as has the percentage of Americans who buy such a newspaper. Since 1990, English-language newspaper circulation has dropped nearly one percentage point a year. ³

Spanish-Language U.S. Daily Newspaper Circulation
Select years 1970 – 2002



Design Your Own Chart
Kirk Whisler/WPR, Carlsbad, CA

English-Language U.S. Daily Newspaper Circulation
Select years 1970 – 2002

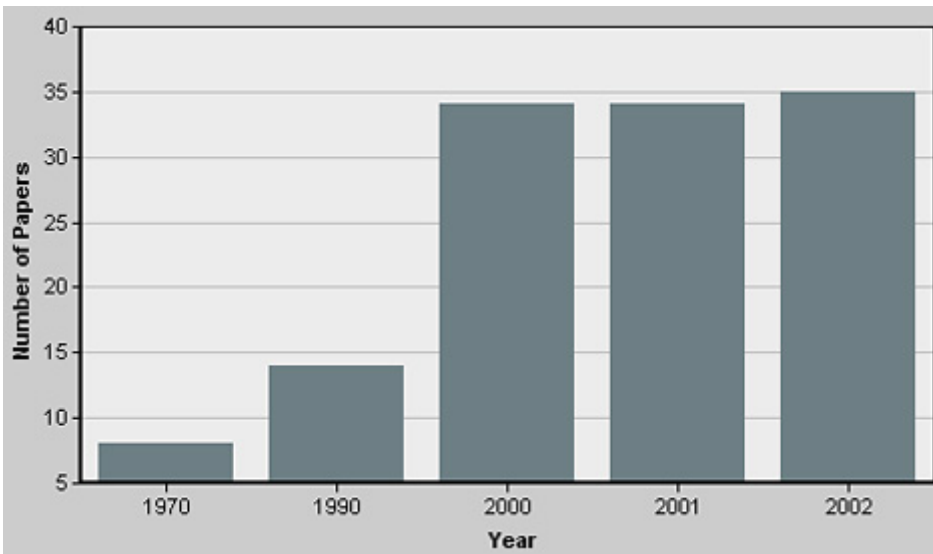


Design Your Own Chart
Editor and Publisher Yearbook Online data

In addition to a rising Hispanic population, the growth in Spanish-language newspaper circulation is spurred on by a sharp increase in the number of daily newspapers available. The number more than doubled from 1990 to 2000. ⁴ These trends suggest that sometime in the last decade, the Hispanic population reached a critical mass that allowed this exponential growth.

Number of Spanish-Language Daily Newspapers in the U.S.

Select years 1970 – 2002



Design Your Own Chart

Kirk Whisler/WPR, Carlsbad, CA

Ownership

In general, a big wave of consolidation has yet to really hit the print side of the Spanish-language media, but that is beginning to change. It is still largely rooted in community papers that sprang up as the immigrant populations arrived. The owners are local and the papers are unique to that community. Take for example *El Mañana*, an independent 20,000-circulation daily in Cicero, Illinois, or *La Voz Hispana de Connecticut*, a 15,000-circulation newspaper in New Haven owned by the local *La Voz Hispana Newsprint* that publishes twice a month. ⁵

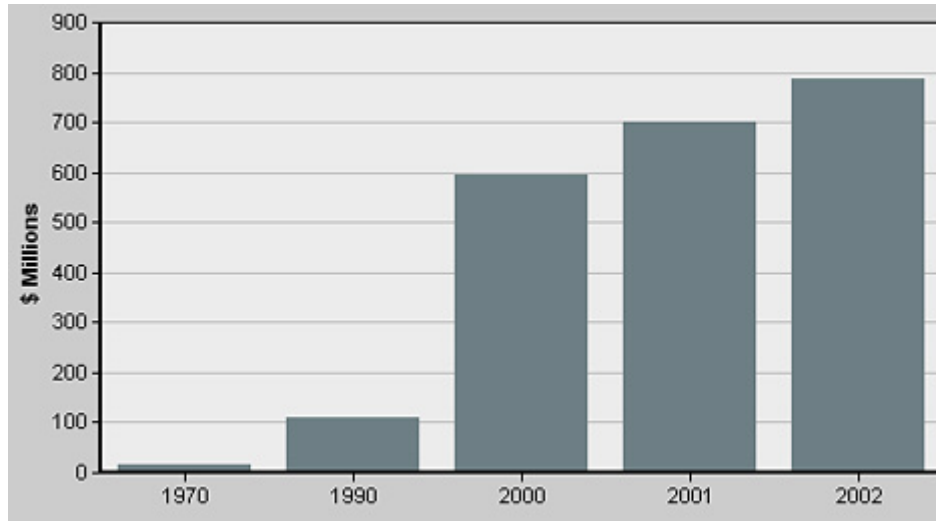
But as the Hispanic population has grown in size and buying power a trend seems to be developing wherein large non-Hispanic companies are looking to tap into the Spanish-speaking market. The Tribune Company is setting out to create a national chain of Spanish-language papers that can negotiate national advertising contracts. The company has announced an expanded Sunday version of *Hoy* in Chicago. And Tribune has sold off its share of the Los Angeles daily *La Opinion* to the paper's founders, the Lorenzo family, with whom Tribune co-owned *La Opinion*. Tribune is now expected to launch a Los Angeles version of *Hoy* to compete with *La Opinion*. The battle between these two papers, one a venerable Hispanic-owned outlet and the other a part of Tribune's growing Spanish-language presence, will be a critical one in the coming years. Meanwhile, the A.H. Belo Co., publisher of *The Dallas Morning News*, is launching a Spanish-language daily in Dallas. And Knight-Ridder looks ready to expand. Its *El Nuevo Herald* in Miami is one of the fastest-growing newspapers in the country and the paper's success has led the company to expand its Fort Worth Spanish-language daily, *La Estrella*.

In the beginning of 2004, a second trend emerged in Spanish-language newspaper ownership. The owners of *La Opinion* and New York's *El Diario/La Prensa* merged to create a new Hispanic-owned media company, *Impremedia*. The company was created to serve as a counterbalance to the buyouts and expansions by English-language companies in the Spanish-speaking newspaper market. *Impremedia* made clear from its inception that it plans to buy other Spanish-language newspapers and become a force that might be able to take on behemoths like Knight-Ridder and Tribune.

Economics

The last dozen years have seen ad revenues skyrocket at Spanish-language daily newspapers. Since 1990 the figures have grown more than sevenfold, from \$111 million in 1990 to \$786 million in 2002, according to figures from the Latino Print Network, an organization designed to help find advertisers for Spanish-language papers. ⁶

Spanish-Language Newspaper Ad Revenues Selected years, 1970 – 2002



Design Your Own Chart
Kirk Whisler/WPR, Carlsbad, CA
* U.S.-based newspapers

Beyond the simple demographic changes and increase in the number of outlets, Spanish-language newspapers have had another benefit to aid their growth. Unlike other ethnic presses, the growth of the Spanish-language press and Hispanic readership has led to a kind of nationalization of advertising resources in the form of the Latino Print Network. The spread of the Hispanic population has helped make this market national. The Latino Print Network sells ads to newspapers that are part of the National Association of Hispanic Publishers group, consisting of papers in 27 states.

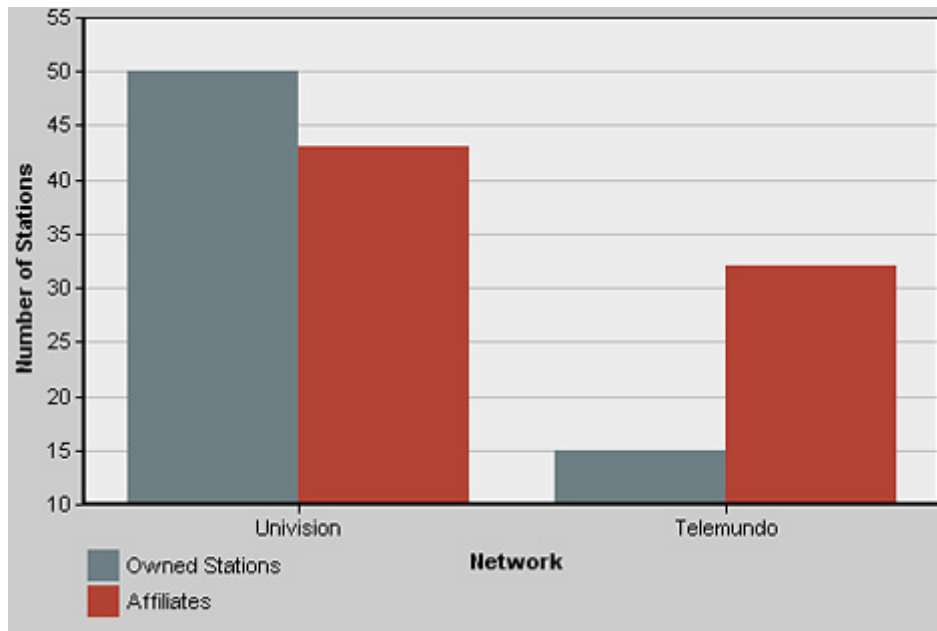
This wide reach is important. Even though the Spanish-language newspapers are more developed than some of their other ethnic-media counterparts, their numbers are still small compared to the circulation of the major English-language metro dailies. Even *La Opinion*, the Los Angeles daily with the largest paid circulation of any Spanish language paper in the country, has a circulation of only about 126,000.⁷ By creating a national Spanish-language market, the Latino Print Network has created an easy way for national advertisers to reach “over 200 publications and 10 million subscribers with one phone call,” as the group says on its site. This one-stop shopping can only aid the growth of the Spanish language press particularly as the number of large chain stores grows.

SPANISH-LANGUAGE TELEVISION

In television, among the ethnic media it is really only the Spanish-language channels that have a sizeable and significant presence. There is not one, but two networks aimed at the Hispanic audience – Telemundo and Univision. Telemundo, the smaller of the two, was launched in 1986 by Saul Steinberg and Henry Silverman of Reliance Capital Group, who believed mainstream outlets were not paying enough attention to the nation’s growing Spanish-speaking population. The network was cobbled together out of stations in Miami, Los Angeles and New York and sold to Sony in 1998 for \$539 million. Then the network was purchased by NBC in 2002 for \$2.7 billion.

Univision, which has roots that trace back to 1961 and a small station in San Antonio, came into existence in its current form in 1992, when the network was purchased from Hallmark by a consortium of buyers. Today Univision is the giant of Spanish-language television. At the time of the Telemundo/NBC deal in 2001, some estimated Univision’s overall value to be at least \$8 billion – and that doesn’t take into account the company’s deals since then, such as the 2003 purchase of the Hispanic Broadcasting Company radio group for \$3 billion. Univision owns 50 stations and has 43 affiliates. Telemundo owns 15 stations and has 32 affiliates.⁸

Spanish-Language TV Stations by Network



Design Your Own Chart

Sabrina Jones, "Hispanics Surpass Blacks as a Growth Market for Ads," Washington Post

News Operations

For a long time Univision was the leader in the Spanish language TV news race because it was alone. Five years ago, Telemundo didn't even have a news operation. But the battle is now joined and Telemundo has some special advantages. Since NBC purchased Telemundo the English-language network has pumped more than \$70 million into Telemundo's news gathering operations, doing things like buying cameras, building sets and adding newscasts in important markets. And NBC offers a unique advantage to Telemundo over Univision, the extensive newsgathering operations it already has in place with its news division and MSNBC. While the work of NBC's correspondents is obviously of limited value because reports are done in English, Telemundo can tap into the network's satellite feeds and air its news footage.

In 2003, the changes in Telemundo's news operations were readily apparent. It, not Univision, was the first Spanish-language network to announce the War in Iraq had begun. And while Univision started its coverage with one small news team in Kuwait, Telemundo had five journalists in the Middle East – one in Baghdad itself. As a result the network saw its viewership shoot up 27 percent in the first two days of the war. Univision quickly played catch-up, sending its most popular anchor to the region and nailing down a series of exclusive interviews. But without Telemundo's spurring, it's difficult to say what Univision's coverage would have looked like.

Overall, though, Univision still has the bigger news operation and still offers more news programming throughout the day. Schedules, counting local news, vary from station to station, but Univision's television schedule shows seven hours of news programming on an average weekday – counting news magazine and morning shows. In Washington DC, the Univision affiliate airs 6 ½ hours. Telemundo airs news programming 3 to 4 hours a day depending on how loosely one stretches the definition to include news/talk. In Washington, the Telemundo station follows the national schedule.

Usage and Economics

If there was any question about the growth potential of these networks, it was answered when NBC purchased Telemundo. While the 1990s were a time of big growth among the Spanish-language media, analysts believe there is still a lot of room for more. Ad spending in Spanish-language radio and television has not kept up with population growth. Hispanics make up about 13 percent of the United States population, but attract only about 2 percent of the annual advertising dollars here. 9 When NBC purchased Telemundo, it estimated that Hispanic/Latino buying power would grow from \$400 billion to \$1 trillion a year by 2010. 10

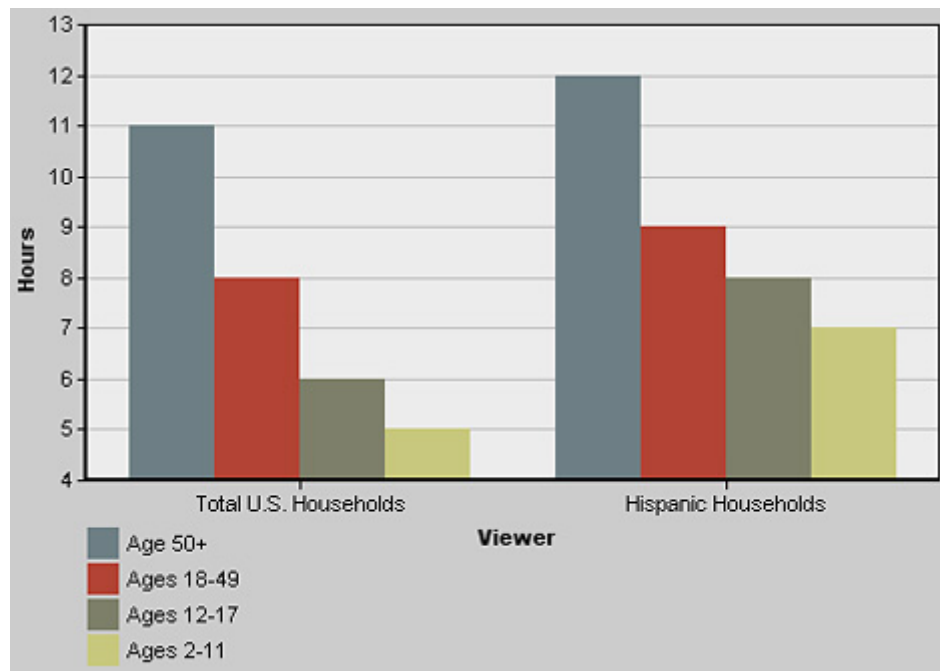
A look at the 2003 revenue for Univision suggests there is indeed still a lot of room for growth in the market. The network ranks as No. 24 in Broadcasting & Cable's top-25 television networks with revenues of \$568 million, an increase of 7.4

percent over 2002. But revenues could be higher. The network's viewership, 3.1 million, is higher than all but four networks on the list. 11

The Spanish-language audience offers other advantages to advertisers. The audience has more of the desirable youth demographic than other audiences. Nielsen data for 2003 estimate that 65 percent of the Hispanic population is under 35, compared to 45 percent for non-Hispanics. Every Hispanic household reached by advertisers has more people living there – 3.6 members versus 2.4 members per non-Hispanic household. 12 Furthermore, Nielsen data from 2000 show that Hispanics also watch much more television than the nation, an average of 17 hours and 28 minutes per week, while the nation on average watches for 13 hours and 15 minutes. In fact, across every age demographic, Hispanics out-watch the nation. The biggest gap is in the 2-11 age group where Hispanic children watch 6 hours and 52 minutes of television a week, compared with 4 hours and 57 minutes for the nation at large. 13

Prime Time Television Viewing per Week, 2000

In hours



Design Your Own Chart

Nielsen Research, "Hispanic Weekly Television Usage: Primetime

And the Spanish-only audience is growing. According to Liz Castells-Heard, president of Castells & Asociados, a Los Angeles ad agency, about 55 percent of Hispanics tuned in to English-language television in the early 1990s. In 2003 that number fell to 30 to 35 percent. 14 That trend could mean several things. In part, it is probably due to the growing Hispanic population through immigration. As the number of new Spanish-speaking Americans climbs, it only makes sense that they would turn to Spanish-language broadcasts. It could also mean that the rise of Spanish-language outlets has created a media environment that does not require immigrants to learn English. Even when people learn a second language as adults, they often prefer to do certain things in their first language, such as getting their news. Moreover, much of the English acquisition is limited and functional rather than fluent. Ethnic media provide a certain kind of news that is not available from the mainstream media, most importantly news of home countries, and also more detailed local coverage of geographically discrete ethnic communities. If foreign-born Spanish speakers want to know what is happening today in a Dominican economic crisis, a governor's election in Puerto Rico or a Nicaraguan corruption scandal, Univision or Telemundo is the only practical choice. The trend has a lot to do with the media being centered on a language rather than an ethnicity. If all the Spanish-speaking immigrants that entered the United States spoke languages based on their individual nationalities, the growth of the Hispanic media would probably not be as rapid. Slower growth would mean fewer Hispanic outlets and fewer outlets likely mean fewer listeners. The other possibility, as mentioned earlier, is that much of Hispanic population in the United States is migratory, spending months on both sides of the United States-Mexican border. It would stand to reason that the Spanish-language media would be their first choice, and their only choice if there were enough of it. However, some experts contend that the Hispanic foreign-born population is now less migratory than it ever has been.

Ownership

When Telemundo was purchased by NBC in 2002, the Spanish-language network immediately grew in stature and went from being a kind of also-ran to a serious second-place network with a lot of potential for growth. The buy meant a Hispanic network was essentially being taken over by an English-language conglomerate, since NBC's parent company is General Electric. It meant that big money and resources were behind the network, maybe even enough to take on Univision.

Meanwhile, Univision, the solid first-place Spanish-language network, has secured its place differently. Owned by the billionaire A. Jerrold Perenchio and a group of Hispanic investors, it is relatively insulated from outside pressures. Perenchio is an Italian-American producer who has been involved in such projects as the television series "All in the Family" and the movie "Driving Miss Daisy." The other parts of Univision's ownership team are Mexico's largest commercial broadcaster, Televisa, and the Cisneros Group, a large privately held media company based in Venezuela.

In 2003, Univision purchased the radio giant Hispanic Broadcasting Corporation. HBC owned 63 radio stations concentrated heavily in California, Texas and Florida. The combined assets give Univision a strong position in both areas of broadcasting and have helped make it the giant of the Hispanic media community.

A third company, TV Azteca, a Mexican broadcaster, is in the beginning stages of putting together an American operation.

[Click here to view footnotes for this section.](#)

Black Press

Black Press

For well more than a century the black press has played an integral role in the political and cultural growth of the United States. It was among the first ethnic presses in America. From the abolitionist era through the civil rights movement and to today, it has called attention to issues the mainstream media has ignored. It survives today in part through the National Newspaper Publishers Association, or NNPA, a federation of more than 200 periodicals aimed at African Americans around the country.

While African Americans are very likely to read mainstream publications – they are the second-largest group of mainstream daily newspaper readers behind whites – they nonetheless have a vibrant “ethnic” press at their disposal. And many African Americans do read these papers, publications such as The Amsterdam News in New York, The Philadelphia New Observer, The Michigan Citizen in Detroit. The NNPA estimates its members have a total of 15 million readers with \$572 billion in annual buying power. ¹ And the black press is increasing its online presence as well. From 2001 to 2003, the number of black newspapers with an online presence grew from 40 to more than 90. ²

[Click here to view footnotes for this section.](#)

Asian Press

Asian Press

For a variety of reasons the Asian press is difficult to measure as a group, and the word Asian is more complicated than Hispanic. Not only does Asian not speak of a single culture or nationality, it also does not define a particular language. Even within Asian nationalities, there are language differences that make it difficult to group media. China alone has seven distinctly different dialect groups.

That said, it is clear that some Asian language newspapers have large readerships. The World Journal, a Chinese-language daily based in New York, reports it has 250,000 in paid circulation. The Korea Times, in Los Angeles says it has more than 43,000. ¹

But without one common language, a single owner is unlikely as is a concentrated advertising push. And without that infusion of advertising cash, it is difficult for these outlets to grow beyond their current state. We hope to look more in depth at this area in the future.

[Click here to view footnotes for this section.](#)

Alternative Press

Alternative Press

In terms of growth, the only sector that may match the explosive numbers of the ethnic media is the alternative press. In the booming economy of the 1990s, the number of alternative weeklies grew rapidly, drawing national advertising. In recent years the sector's growth has slowed, but not stopped.

- The scattered data available on the alternative presses suggest a handful of broad trends:
 - Circulation and revenues skyrocketed for alternative weeklies in the 1990s.
 - While they are often thought of as newspapers for the young, these outlets usually have readership with median ages in the 30s and sometimes 40s, with high incomes and with relatively high education levels.
 - Though they are usually thought of as local, small-scale outlets, they are increasingly owned by one of a few big national companies that collect alternative newspapers.

The label alternative weekly, while convenient, does not give due respect to the variances of the publications here. From city to city and even within cities they can look very different.

Is it Still an Alternative Press?

To be clear, the alternative press as defined here has little to do with what many might describe as "alternative." The term is mostly a catchall phrase used by the mainstream media, but these publications are not what some call the "dissident" press in America (see sidebar). Rather, while they may share some traits with the dissident press, a political mission is not their defining characteristic. There are dissenting views in these papers, but they are not necessarily grounded in politics. Many are not particularly interested in politics at all.

In fact, scanning the realm of what a usually called alternative weeklies across the country, it sometimes seems there are few things that hold them together as a genre beyond their tabloid format (an almost universal trait) and their advertising-driven revenue model (they are usually given away free). Often, again depending on the publication, they are mostly treasured by their readers for their ads. Editorial content can be quite thin in some, particularly when compared to the ads. But, as in the ethnic media, there is much variety from city to city.

Alternative Press Audiences

Perhaps the biggest myth about the alternative press is that it is read by and focused on young, pierced and tattooed 20-somethings. In fact in many of the nation's larger cities, alternative weeklies have an audience primarily in their 30s and even their 40s, according to surveys by media research companies. 1 Their readers are relatively well educated and many have high incomes. In Texas, The Austin Chronicle's readership has a median age of 38. More than 67 percent of the readers have graduated from college and the median annual household income is \$55,000, the data show. The Miami New Times' readership has a median age of 41 and a median household income of more than \$47,000. 2 Below, the 10 largest cities in America and demographic statistics on their alternative weeklies:

Alternative Weeklies and Demographics for Select U.S. Cities

City	Publication	Median Age	Median Income	College Graduate Rate
New York	Village Voice	35	\$50,000	57%
	New York Press	37	64,079	51
Los Angeles	LA Weekly	38	66,000	31
	OC Weekly	37	73,000	35
Chicago	Chicago Reader	N/A	57,000	71
	Chicago Newcity	N/A	51,241	57
Houston	Houston Press	39	72,000	41
Philadelphia	Philadelphia Weekly	35	61,444	42
	Philadelphia City Paper	36	52,000	46
Phoenix	Phoenix New Times	37	56,375	35
San Diego	San Diego City Beat	42	53,725	27
	San Diego Reader	41	59,586	29
Dallas	Dallas Observer	41	45,090	32
San Antonio	San Antonio Current	37	55,858	30
Detroit	Metro Times	36	55,964	38

Source: Association of Alternative Newsweeklies, directory pages, www.aan.org

Why are these readers attracted to alternative weeklies, other than their being free? First, the publications generally offer a more comprehensive section of event listings than their mainstream competitors. And the advertising in the alternative weeklies often serves as a second type of events listing. Local clubs, theaters and galleries advertise in the weeklies about events because the alternative weeklies offer a cheaper advertising medium than metro dailies. Not to mention the personal listings that appear in these publications, which are often more eccentric than those that appear in the mainstream press.

Second, the content of the weeklies often delves into areas that the mainstream dailies avoid or do not cover extensively – from city politics to government to entertainment. In Washington, for example, the City Paper devotes a lengthy weekly column, “Loose Lips,” to the city’s vibrant local political scene. A column in December looked at a behind-the-scenes battle over a city smoking ban, a dispute between the mayor and a former City Council member over waterfront development and the amount a fired city employee received in a settlement.

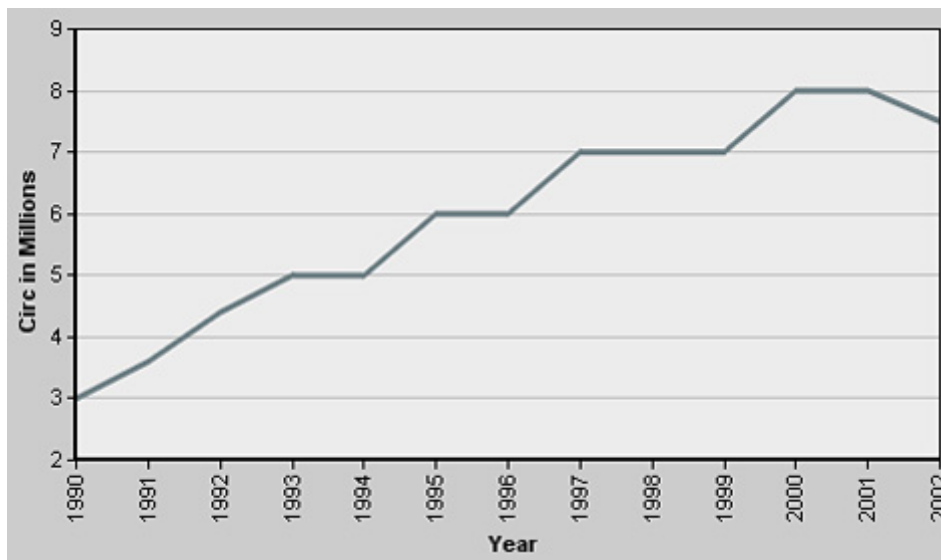
But why specific readers pick up their weekly alternative paper varies with the style of the tabloid. And there are many styles.

Economics

The 1990s were very good to the nation’s alternative weeklies. Circulation grew rapidly, as did revenues. The member publications in the Association of Alternative Newsweeklies nearly doubled in the 1990s to 123 today. 3 Circulation more than doubled, rising from 3 million in 1990 to 7.5 million in 2002. 4

Growth in Alternative News Weeklies

Association of Alternative Newsweeklies Member Publications, 1990 – 2002



Design Your Own Chart

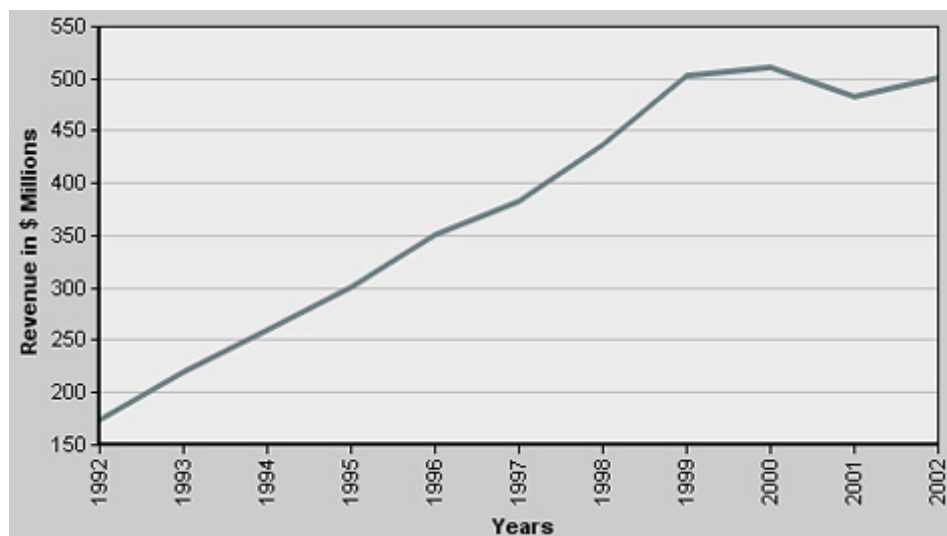
Association of Alternative Newsweeklies unpublished data

While the recession of 2001-2002 hit the papers, it was moderate compared to the economy as whole and was felt in the form of reduction in ad revenues. Circulation was not effected as seriously because these publications are free.

Revenues, which had increased every year since 1992, took a dip in 2001, but began to climb back up in 2002. In 1992, alternative weeklies took in \$174 million in revenues. By 1997, that number had more than doubled to \$383 million. It peaked in 2000, with revenues of \$511 million. Though the numbers dropped sharply in 2001, back to \$483 million, they bounced back up to \$501 million in 2002. 5

Revenue of Alternative Weeklies

1992 – 2002



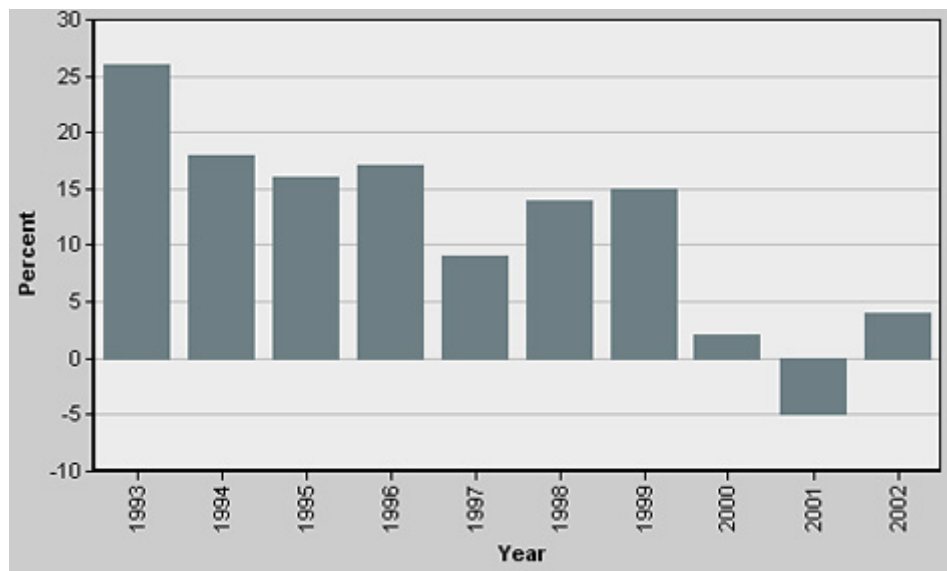
Design Your Own Chart

Association of Alternative Newsweeklies unpublished data

* Based on AAN member figures

Still the weeklies took a big hit in the form of falling national advertising. At the height of this segment's success and growth, national ads – for things like cigarettes and alcohol, accounted for \$35 million to \$50 million per year. ⁶ When the economy fell into recession, those ads dried up almost completely, taking a huge bite from the industry. And that loss in revenue led some of the papers launched during the economic boom to close their doors. In 2002, for example, New Times Inc. folded its Los Angeles New Times. At the same time Village Voice Media closed its Free Times in Cleveland. ⁷ But by 2002 the revenue trend was going up again.

Change in Revenue at Alternative Weeklies



Design Your Own Chart

Association of Alternative Newsweeklies unpublished data

* Based on AAN member figures

In terms of economics, the alternative weeklies are arguably the most dynamic of all the media we study. Because of its local nature, grassroots readership and reliance on advertising for most if not all of its revenues, the alternative press is highly flexible. This media sector can more easily add and subtract publications as the market will bear them. But it is

also the most likely to lose publications in market dips. As of 2002, circulation was sitting stable as the economy remained sluggish, but if it improves one might expect new alternative papers will again be founded.

Alternative Press Ownership

Alternative weeklies were not spared from the large-scale consolidation that hit the media in general in the 1990s. While the alternative press has historically been among the most local of media, a series of small-time publications aimed at getting dollars from local advertisers and covering local stories the big media miss, this image has changed. Today alternative weeklies, particularly in the big cities are controlled by a small group of companies. The biggest owners are New Times (which owns papers in Phoenix, Houston, Dallas, San Francisco, Miami and Denver) and Village Voice Media (which owns The Village Voice in New York City and papers in Los Angeles, Seattle, Minneapolis/St. Paul, Nashville and Orange County).

Newsweeklies Owned by New Times and Village Voice

New Times	Village Voice Media
Cleveland Scene	City Pages (Twin Cities)
Dallas Observer	LA Weekly
East Bay Express (Oakland, Calif.)	Nashville Scene
Houston Press	OC Weekly (Orange County, Calif.)
Miami New Times	Seattle Weekly
New Times Broward-Palm Beach	The Village Voice
Phoenix New Times	
The Pitch (Kansas City)	
Riverfront Times (St. Louis)	
SF Weekly	
Westword (Denver)	

Source: Association of Alternative Newsweeklies, directory pages, www.aan.org

How Alternative Are They?

In fact, increasingly there are concerns that the alternative weeklies are becoming more like their daily newspaper counterparts than some would like. Case in point was the deal in 2002 between New Times and Village Voice Media, in which the two agreed to close papers in markets where the other company has the stronger paper. New Times closed its Los Angeles News Times to save money from competing with Village Voice Media's LA Weekly. At the same time Village Voice closed the Cleveland Free Times, ceding the city to the New Times' Cleveland Scene. ⁸

In five of the nation's 10 largest cities, New Times or Village Voice controls the main alternative weekly. If one adds in a third company, Times Shamrock, then three companies control the primary alternative weekly in seven of the 10 largest cities. These numbers belie the old image of the idea-driven small alternative weekly and instead create an image of an increasingly corporatized world of money-making free tabloids. But, as mentioned above, if there is a medium that seems to have the ability to change with the economic times, it is this one. If and when the economy improves and the advertising environment booms again, the question is whether smaller, more independent weeklies will appear. This possibility bears watching in the coming years.

[Click here to view footnotes for this section.](#)

Other Ethnic

Other Ethnic

Data on the much of the rest of the nation's ethnic media are, by nature, scattered and usually not measured in comparable ways. Each group's studies are generally highly localized geographically or highly segmented by ethnicity. Not surprising, New York and California, which have large ethnic populations, have the most data.

These data indicate there has been noticeable growth in the media for many ethnicities, particularly in major metro areas. The figures below, gathered in New York City in 1976, 1990 and 2000, are sketchy. They are drawn from different surveys. And some of the figures, provided by the publishers themselves, are probably overstated. Still there are some notable shifts, particularly among Bangladeshi, Caribbean, Chinese, Indian, Korean and Russian newspapers. Even if the figures are overstated, the changes and growth speak to a vibrant immigrant press in New York and to a lesser extent the growth of the ethnic press in smaller cities.

NEW YORK ETHNIC PRESS CIRCULATION BY ETHNICITY

In addition, the Editor and Publisher 2003 Yearbook lists 143 weekly ethnic newspapers nationally covering a wide variety of nationalities. These papers are a mixed bag. Circulation is as low as a few hundred for some, such as the Nasinec, a Czech newspaper in Granger, Texas, with a paid circulation of 420, and Russian Life, a San Francisco weekly with a circulation of 750. For others it ranges up to near 100,000. Haiti Proges in Brooklyn boasts a paid circulation of more than 70,000. And African Times in Los Angeles has a paid circulation of more than 85,000. 1 In future years, this report plans more in-depth study of all these ethnic media.

Other Ethnic Media Ownership

Beyond the Spanish-language media, the rest of the ethnic media are at an earlier stage of development. In California alone there are more than 1,000 media outlets for the growing ethnic populations, according to Pacific News Service. Many, if not most, of them are small and independently owned. That trend may continue so long as the populations represented remain too small to represent large buying power. Big, diverse media companies are unlikely to make the investment in buying a cadre of outlets aimed at different populations in different languages. If there is a possibility of pulling together ethnic media outside of the Hispanic outlets, it will likely center on small companies specializing in specific ethnicities (a Korean media company, for example, or an Indian one). At this point, it seems that large national ethnic news companies are years away.

[Click here to view footnotes for this section.](#)

Journalist Survey – Intro

Beyond all the facts and figures concerning the American news media, there are the attitudes and opinions journalists themselves have about their industry and profession. This section of the State of the News Media 2004 report details the results of a survey of more than 500 national and local reporters, editors and executives. The survey was conducted by the Pew Research Center for the People and the Press in collaboration with the Project for Excellence in Journalism and the Committee of Concerned Journalists.

Contents:

Commentary on the Survey Findings

By the Project for Excellence in Journalism

Press Going Too Easy on Bush: Bottom-Line Pressures Now Hurting Coverage, Say Journalists

By the Pew Research Center for the People and the Press

Survey Methodology

Survey Questionnaire and Topline

1999 Report: Striking the Balance, Audience Interests, Business Pressures and Journalists' Values

Commentary

Commentary on the Survey Findings

By Bill Kovach, Tom Rosenstiel and Amy Mitchell

Introduction

What Journalists Are Worried About

A Newsroom-Executive Divide

Specific Areas of Concern

The Internet as a Place of Confidence and Cuts

Confidence in the Public

Politics & Ideology

Crossing from Concern to Frustration

Introduction

While their worries are changing, the problems that journalists see with their profession in many ways seem more intractable than they did a few years ago.

News people feel better about some elements of their work. But they fear more than ever that the economic behavior of their companies is eroding the quality of journalism.

In particular, they think business pressures are making the news they produce thinner and shallower. And they report more cases of advertisers and owners breaching the independence of the newsroom.

These worries, in turn, seem to have widened the divide between the people who cover the news and the business executives they work for.

The changes in attitude have come after a period in which news companies, faced with declining audiences and pressure on revenues, have in many cases made further cuts in newsgathering resources.

There are also alarming signs that the news industry is continuing the short-term mentality that some critics contend has undermined journalism in the past. Online news is one of the few areas seeing general audience growth today, yet online journalists more often than any others report their newsrooms have suffered staff cuts.

Only five years earlier, news people were much more likely to see failures of their own making as more of an issue. Since then, they have come to feel more in touch with audiences, less cynical and more embracing of new technology. In other words, journalists feel they have made progress on the areas that they can control in the newsroom.

While feeling closer to audiences, however, news people also have less confidence in the American public to make wise electoral decisions, a finding that raises questions about the kind of journalism they may produce in the future.

There are also signs that the people who staff newsrooms, at least at the national level, tend to describe themselves as more liberal than in the past.

These findings, which build on work by the Pew Research Center for the People and the Press and the Committee of Concerned Journalists five years ago, mark the beginning of an annual collaboration between the Pew Center and the Project for Excellence in Journalism to monitor the feelings of journalists.

In addition to assessing the change from 1999, this survey puts down some new baselines for further study-matters such as whether the press is too timid, the impact of cable, the Internet and political ideology.

[top]

What Journalists Are Worried About

News people are not confident about the future of journalism. Overall, they appear split over whether journalism is headed in the right or wrong direction. At the national level a slim majority are pessimistic. At the local level a slim majority are optimistic. Broadcasters are more pessimistic. Print people are more optimistic. Internet journalists are the most optimistic of all.

Yet eliminate certain job descriptions and things look bleaker. Nationally, remove business executives and a majority of journalists think things are moving in the wrong direction. At the local level, it is only senior news managers who are confident. Business executives are split.

More important, the source of their concern is different than five years ago. Increasingly, journalists worry that the economics of journalism are eroding quality.

Sizable majorities of journalists (66% nationally and 57% locally) think "increased bottom line pressure is seriously hurting the quality of news coverage." That is a dramatic increase from five years ago, when fewer than half in the news business felt this way.

And their concerns may be justified. The State of the News Media 2004 report produced by the Project for Excellence in Journalism in March found that most sectors of the news media have seen clear cutbacks in newsgathering resources. The number of newspaper newsroom staffers shrunk by 2,000 between 2000 and 2004, a drop of 4% overall. Some major online news sites saw much deeper cuts, such as MSNBC, which cut around a quarter of its staff between 2001 and 2003. Radio newsroom staffing declined by 57% from 1994 to 2001. After an uptick in 1999, network staffing began to drop again in 2000. Since 1985 the number of network news correspondents has declined by 35 percent while the number of stories per reporter increased by 30 percent.

Nationally, quality is still the problem news people worry about most but they are worried about it less than five years ago. Locally, as many journalists now cite economic pressure as journalism's biggest problem as point to a lack of quality.

And those who have felt the economic pressure more acutely are the most worried of all. Among those who reported staff cuts in the last three years, three-quarters feel increased bottom line pressure is "seriously hurting" news quality. They also were more likely than average to name economic and business pressures as journalism's biggest problem.

There are also signs that the economic influences on the news business have become more pernicious. Five years ago we found that financial pressure in the newsroom was "not a matter of executives or advertisers pressuring journalists about what to write or broadcast." It was more subtle than that.

Unfortunately, that is less true today. Now a third of local journalists say they have felt such pressure, most notably from either advertisers or from corporate owners. In other words, one of the most dearly held principles of journalism-the independence of the newsroom about editorial decision-making-increasingly is being breached.

There is also alarming news here for the Internet. Advertiser and corporate interference with the news content are similarly high among those who work in online news, where the line between independently produced content and advertising may be harder to detect.

These numbers bear watching-closely.

A Newsroom-Executive Divide

All of this may be at the root of another problem that has intensified over the last five years. There is a manifest and widening gulf between journalists and the people they work for.

The survey broke news people down into three separate groups. Executives were those who have chief financial responsibility for the news company-publishers, CEOs, chief financial officers. Senior news executives included editors-in-chief, executive editors, managing editors and executive producers, down to assistant managing editors. Newsroom staff included everyone from bureau chiefs down to cub reporters.

In general, journalists have less confidence in their bosses than they did a few years ago.

Less than a third of national journalists rate their leadership as "excellent," down six points from five years ago. Less than a quarter of local journalists feel that way, also down slightly from five years ago.

It may be no surprise that the level of confidence in the bosses declines as you move down the ranks. Yet now even senior news managers are not confident in the people above them.

It is here, at the level of senior news executives, where the rating of the leadership has dropped most precipitously. Five years ago, 42% of senior news executives nationally had high confidence in their bosses. Today, just 30% do. Locally, the number is 18%.

What is behind the widening morale problem in newsrooms?

The survey results offer two possible explanations. One is that executives and journalists cannot even agree on the basic situation in their newsrooms. Nationally, journalists are twice as likely to report that their staffs have decreased as are business executives who run news companies.

A second divide between executives and newsroom staffers is over the question of the impact of economics. Nationally, journalists are more than twice as likely as executives to say bottom line pressure is eroding journalistic quality. The divide exists at the local level as well but not as drastically.

Whatever the reasons for this, unless staffers and bosses can agree on first describing what is going on in the company and then agree on its impact, it seems doubtful they could agree on how to deal with it.

Specific Areas of Concern

Beyond cutbacks and pressure to help advertisers or corporate siblings, journalists have other worries as well. Five years ago, people in the news business shared two overriding concerns. As we said back then, "They believe that the news media have blurred the lines between news and entertainment and that the culture of argument is overwhelming the culture of reporting...Concerns about punditry overwhelming reporting, for instance, have swelled dramatically in only four years."

Today, the concerns are more varied and less easy to categorize. The worries about punditry are still there but they have diminished both nationally and especially locally.

A bigger issue now is a sense of shallowness. Roughly eight-in-ten in the news business feel the news media pay "too little attention ... to complex issues," up from five years ago to levels seen in the mid-1990s, at the peak of the fascination with tabloid crime stories like O.J. and JonBenet Ramsey.

On the issue of accuracy, journalists seem divided. Nationally, the number of journalists who feel that news reports are increasingly sloppy and inaccurate is rising. Locally, it is dropping.

And about some matters people in the news business-across all levels-are clearly less worried than they were five years ago.

Fewer journalists today see the press as too cynical. And, compared with five years ago, fewer also see journalists as out of touch with their audiences.

Both of these are areas that reform movements such as public journalism-which was concerned with trying to reconnect journalists and the public-focused on.

The Internet as a Place of Confidence and Cuts

In such a landscape, the Internet should be a glimmer of hope, and in many ways it is. The State of the News Media 2004 report found that the Internet was one of the few places where news audiences were growing. Just as importantly, young people sought out news online in the same percentages as older people. Privately, some of the country's top newspaper executives report that they now have more readers on the web than they do in print. Financially the picture is also promising, if embryonic. Revenues from the Internet, according to the State of the News Media report, are growing exponentially, though for now they remain small.

Generally, the Internet journalists surveyed, most of whom work for websites of major news organizations, reflect that booming sense of the future. They rate their product highly: fully 85% give the websites of national news organizations a grade of A or B.

Journalists also seem less fearful of technology. While majorities feel the Internet has too much unvetted and unfiltered material, most news people also now see the 24-hour news cycle as not harming journalism. More journalists than five years ago think the Internet is making journalism better.

Yet the survey points to something troubling here that online journalists are privately frustrated by. The Internet is the most likely place in journalism to be suffering staff cuts (62%).

Given the growth in Internet news audiences and the growing confidence of journalists about the content, one might have expected that companies planning on the future would be moving resources into this growth area.

The fact that this is not happening has two possible implications. First, it suggests that the news industry is managing for the short-term to such a degree that it is leaving malnourished the one area that could grow the business out of its current dilemma of declining audience. To maintain profits, it is penny wise and pound foolish. If this is the case, it would be an old story-and a familiar mistake-repeated again.

The other possibility is that the news business has lost confidence in the basic economic principle that had fueled its development for much of the last 200 years:

Namely, that if you can aggregate a large-enough audience in one place, the revenue stream will work itself out eventually.

Yet the companies who produce online news apparently do not have confidence that will happen here. If they are not willing to invest in the newsroom now, when audience and revenues look promising, what will ever convince them to?

Confidence in the Public

Ultimately journalism is predicated on faith in the public. Here, journalists' views have become dramatically more pessimistic.

The percentage of national journalists who have a great deal of confidence in the ability of the American public to make good decisions has declined by more than 20 points since 1999. Confidence among local journalists has fallen as well.

What is going on? Does this suggest that as news people get closer to their audiences they conclude people are less wise than they once believed? Is it possible that market research data is persuading journalists today that they understand their audiences better and also that those audiences are dumber than they thought?

Or, is the loss of confidence in the public more tied to journalists' views about the content of news? They see news doing a poorer job of covering complex issues and conclude that this will leave Americans unprepared for making good decisions.

It is also possible that journalists are leaping to another conclusion: They see the content of the news becoming shallower and conclude that this must be what the public wants or why else would their organizations be providing it?

There is also a fourth possibility: liberal journalists unhappy with President George W. Bush's policies could be dismayed that the public chose Bush in 2000 and until recently have largely approved of his performance.

In the end, whatever the cause of declining faith in the public, the implications are troubling. Even if the economics of journalism work themselves out, how can journalists work on behalf of a public they are coming to see as less wise and less able? A cynical view of the public becomes a self-fulfilling prophecy that leads journalists to produce a shallower product because they think the public cannot handle anything else.

Politics & Ideology

The findings on politics also point to trends worth watching. Journalists tend to be split over whether the press has become too timid and also too easy on Bush-and the split is between national journalists and local. The national journalists tend to feel the press has been insufficiently critical of Bush. National journalists also are the more likely to describe themselves as personally liberal.

But this does not mean that journalists want to abandon the model of the independent press. Across the board, news people disapprove of news organizations having a decidedly ideologically point of view. Even among Internet journalists, often thought of as writing with more edge, three-quarters do not favor moving toward this more ideological, more European model of journalism.

The fact that journalists are more likely to see a conservative tilt in the news than a liberal one invites various explanations. It could be a sign of liberal bias. It also could be a natural response by journalists tired of people producing partisan journalism on the right positioning themselves as the counterbalance to a mainstream press they characterize as left wing. There will be no settling of that.

On the other hand, the fact that the New York Times is the organization most often cited as liberal may embarrass the Times. The fact that large majorities of journalists cite Fox as conservative may not embarrass that cable network.

Journalists' own politics are also harder to analyze than people might think. The fact that journalists-especially national journalists-are more likely than in the past to describe themselves as liberal reinforces the findings of the major academic study on this question, namely that of David H. Weaver and G. Cleveland Wilhoit, in their series of books "The American Journalist."

But what does liberal mean to journalists? We would be reluctant to infer too much here. The survey includes just four questions probing journalists' political attitudes, yet the answers to these questions suggest journalists have in mind something other than a classic big government liberalism and something more along the lines of libertarianism. More journalists said they think it is more important for people to be free to pursue their goals without government interference than it is for government to ensure that no one is in need.

This libertarian strain is particularly strong among local journalists, who are also more likely to describe themselves as moderate.

More research here is probably useful. The debate over press ideology is fraught with difficulty. Some of the research done in the past has been, frankly, poor, and on the other side, some journalists would rather not face the question at all. Neither of these approaches is satisfactory.

But there is something here for journalists to be concerned about.

Crossing from Concern to Frustration

Five years ago we found a profession that had become more concerned about its performance and more willing to adapt. The findings back then, we said, paint "a picture of an industry aware it is at a cross roads. Journalists have come to agree with their critics and are embarking on self examination that is a likely first step to change."

Today, some of that change has happened, but what remains are problems that seem more structural and protracted.

While journalists feel they have gotten closer to their audiences and more willing to innovate, they also are more pessimistic about the public. It is possible that journalists feel they have done much of what they can do themselves to

address journalism's problems. What they are left with are issues they cannot contend with alone. And they believe the companies they work for in the last five years have moved in ways that have only made things worse.

On top of that, there are signs that the growth areas in journalism are not seeing the kind of investment of resources to build for the future.

If five years ago we saw the seeds of change, today we see a trend toward fragmentation among all players involved – journalists, executives and the public.

Not only do they disagree on solutions, they seem further apart on identifying the problems

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Survey Findings

Press Going Too Easy on Bush

Bottom-Line Pressures Now Hurting Coverage, Say Journalists

by the Pew Research Center for the People and the Press

Overview

Section I: Views on Performance

Section II: Covering the President and the Campaign

Section III: Today's Changing Newsroom

Section IV: Values and the Press

NOTE: This report is also available on the [Pew Research Center Web site](#).

Overview

Journalists are unhappy with the way things are going in their profession these days. Many give poor grades to the coverage offered by the types of media that serve most Americans: daily newspapers, local TV, network TV news and cable news outlets. In fact, despite recent scandals at the New York Times and USA Today, only national newspapers – and the websites of national news organizations – receive good performance grades from the journalistic ranks.

Roughly half of journalists at national media outlets (51%), and about as many from local media (46%), believe that journalism is going in the wrong direction, as significant majorities of journalists have come to believe that increased bottom line pressure is “seriously hurting” the quality of news coverage. This is the view of 66% of national news people and 57% of the local journalists questioned in this survey.

Journalists at national news organizations generally take a dimmer view of state of the profession than do local journalists. But both groups express considerably more concern over the deleterious impact of bottom-line pressures than they did in polls taken by the Center in 1995 and 1999. Further, both print and broadcast journalists voice high levels of concern about this problem, as do majorities working at nearly all levels of news organizations.

Profit Pressures Hurting Coverage

<i>Effect of</i>	--- National ---			---- Local ----		
	<u>1995</u>	<u>1999</u>	<u>2004</u>	<u>1995</u>	<u>1999</u>	<u>2004</u>
<i>bottom-line pressure on news coverage</i>	%	%	%	%	%	%
Hurting	41	49	66	33	46	57
Just changing	38	40	29	50	46	35
Other/DK	21	11	5	17	8	8
	100	100	100	100	100	100
<i>Reporting is increasingly sloppy and error-prone</i>						
Valid criticism	30	40	45	40	55	47
Not valid	65	58	54	59	42	52
Don't know	5	2	1	1	3	1
	100	100	100	100	100	100

The notable dissent from this opinion comes from those at the top of national news organizations. Most executives at national news organizations (57%) feel increased business pressures are “mostly just changing the way news organizations do things” rather than seriously undermining quality.

The survey of journalists – conducted March 10-April 20 among 547 national and local reporters, editors and executives by the Pew Research Center for the People and the Press in collaboration with the Project for Excellence in Journalism and the Committee of Concerned Journalists – also finds increased worries about economic pressures in the responses to an open-ended question about the biggest problem facing journalism today. As was the case in the 1999 survey, problems with the quality of coverage were cited most frequently. Underscoring these worries, the polling finds a continuing rise in the percentage of journalists believing that news reports are full of factual errors. In the national media, this view increased from 30% in 1995 to 40% in 1999 to 45% in the current survey.

When asked about what is going well in journalism these days, print and broadcast journalists have strikingly different things to say. TV and radio journalists most often mention the speed of coverage – the ability to respond quickly to breaking news stories – while print journalists emphasize the quality of coverage and the watchdog role the press plays as the profession’s best features.

Journalists whose own newsrooms have undergone staff reductions are among the most worried that bottom-line pressures are undermining quality. Fully three-quarters of national and local journalists who have experienced staff cuts at their workplace say bottom-line pressures are seriously hurting the quality of news coverage. Those not reporting staff reductions are far more likely to say business pressures are just changing newsgathering techniques.

Views of Journalists Concerned About Bottom-Line Pressures

<i>Percent citing as valid criticisms...</i>	Yes, concerned	Not concerned	Difference
News avoids complex issues	86	64	+22
24/7 cycle weakens journalism	50	26	+24
The press is too timid	56	31	+25
Increasingly sloppy reporting	52	36	+16

Based on national journalists.

Beyond the stress of shrinking workplaces, there are a number of specific criticisms of the news media that are closely associated with the view that bottom-line pressure is hurting the quality of news coverage. First, there is almost universal agreement among those who worry about growing financial pressure that the media is paying too little attention to complex stories. In addition, the belief that the 24-hour news cycle is weakening journalism is much more prevalent among this group than among news people who do not view financial pressure as a big problem, and a

majority says news reports are increasingly full of factual errors and sloppy reporting. And most journalists who worry about declining quality due to bottom-line pressures say that the press is “too timid” these days.

	General Public*	Nat'l Press	Local Press
	%	%	%
Too critical	34	8	19
Not critical enough	24	55	37
Fair	35	35	42
Don't know	7	2	2
	100	100	100

*Public figures from May 2004 Pew Media Believability Study (N=1,800)

In that regard, the poll finds that many journalists – especially those in the national media – believe that the press has not been critical enough of President Bush. Majorities of print and broadcast journalists at national news organizations believe the press has been insufficiently critical of the administration. Many local print journalists concur. This is a minority opinion only among local news executives and broadcast journalists. While the press gives itself about the same overall grade for its coverage of George W. Bush as it did nine years ago for its coverage of Bill Clinton (B- among national journalists, C+ from local journalists), the criticism in 1995 was that the press was focusing too much on Clinton's problems, and too little on his achievements.

There are significant ideological differences among news people in attitudes toward coverage of Bush, with many more self-described liberals than moderates or conservatives faulting the press for being insufficiently critical. In terms of their overall ideological outlook, majorities of national (54%) and local journalists (61%) continue to describe themselves as moderates. The percentage identifying themselves as liberal has increased from 1995: 34% of national journalists describe themselves as liberals, compared with 22% nine years ago. The trend among local journalists has been similar – 23% say they are liberals, up from 14% in 1995. More striking is the relatively small minority of journalists who think of themselves as politically conservative (7% national, 12% local). As was the case a decade ago, the journalists as a group are much less conservative than the general public (33% conservative).

The strong sentiment in favor of a more critical view of White House coverage is just one way the climate of opinion among journalists has changed since the 1990s. More generally, there has been a steep decline in the percentage of national and local news people who think the traditional criticism of the press as too cynical still holds up. If anything, more national news people today fault the press for being too timid, not too cynical.

Not only do many national news people believe the press has gone too soft in its coverage of President Bush, they express considerably less confidence in the political judgment of the American public than they did five years ago. Since 1999, the percentage saying they have a great deal of confidence in the public's election choices has fallen from 52% to 31% in the national sample of journalists.

	Public 2004*	National press		Local press	
	2004*	1999	2004	1999	2004
	%	%	%	%	%
A great deal	20	52	31	28	22
A fair amount	48	41	51	56	54
Not very much	24	6	15	13	21
None at all	5	1	2	3	2
Don't know	3	*	1	*	1
	100	100	100	100	100

*Public figures from May 2004 Pew Media Believability Study (N=1,800)

Nonetheless, journalists have at least as much confidence in the public's electoral judgments as does the public itself. In addition, the growing distrust in the public's electoral decisions is not being driven by negative feelings about President Bush. Journalists who think the press is not critical enough of Bush are no more likely than others to express skepticism about the public's judgments.

By more than three-to-one, national and local journalists believe it is a bad thing if some news organizations have a "decidedly ideological point of view" in their news coverage. And more than four-in-ten in both groups say journalists too often let their ideological views show in their reporting. This view is held more by self-described conservative journalists than moderates or liberals.

At the same time, the single news outlet that strikes most journalists as taking a particular ideological stance – either liberal or conservative – is Fox News Channel. Among national journalists, more than twice as many could identify a daily news organization that they think is "especially conservative in its coverage" than one they believe is "especially liberal" (82% vs. 38%). And Fox has by far the highest profile as a conservative news organization; it was cited unprompted by 69% of national journalists. The New York Times was most often mentioned as the national daily news organization that takes a decidedly liberal point of view, but only by 20% of the national sample.

The survey shows that journalists continue to have a positive opinion of the Internet's impact on journalism. Not only do majorities of national (60%) and local journalists (51%) believe the Internet has made journalism better, but they give relatively high grades for the websites of national news organizations.

News people also acknowledge a downside to the Internet – solid majorities of both national and local journalists think the Internet allows too much posting of links to unfiltered material. In addition, sizable numbers in the national (42%) and local samples (35%) say the Internet has intensified the deadline pressure they face. The changing media environment is generally having an impact on journalists' workloads – pluralities of national and local news people say they are increasingly rewriting and repackaging stories for multiple uses.

While journalists voice increasing concern over sloppy and error-filled news reports, there is no evidence that recent scandals like those at USA Today and the New York Times are having a significant impact on the way journalists view the profession. The number of journalists who cite "ethics and standards" as the biggest problem facing journalism has not grown since 1999. And most say that while plagiarism may be getting more attention these days, it is actually no more prevalent today than in the past.

Section I: Views on Performance

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Section I: Views on Performance

Journalists are divided over whether their profession is advancing or regressing. Only about half of local journalists – and even fewer national journalists – feel their profession is moving in the right direction. In particular, national TV and radio journalists are the most negative, with 61% saying the field is headed in the wrong direction, compared with just 33% who say the opposite.

State of Journalism Today

	Right Direction %	Wrong Direction %	DK %
Local	51	46	3=100
National	43	51	6=100
<i>Within national...</i>			
Print	52	42	6=100
Broadcast	33	61	6=100
Executives	57	38	5=100
Sr. Editors	43	52	5=100
Reporters	39	54	7=100

There also is a significant divide between executives and reporters in these national organizations, with executives seeing the profession headed in the right direction (by a 57% to 38% margin) while reporters say things are declining (by 54% to 39%).

Top Problems Facing Journalism

	--National--		---Local---	
	1999 %	2004 %	1999 %	2004 %
Quality of Coverage	44	41	39	33
Reporting accurately	10	8	10	10
Not relevant/Out of touch	12	7	6	7
Sensationalism	8	8	12	5
Lack of depth/context	--	6	--	4
Reporting objectively/Balance	12	5	6	4
Business and Financial	25	30	25	35
Decline in audience/readership	14	9	11	8
Lack of resources/cutbacks	3	8	4	9
Bottom-line emphasis	8	5	7	9
Corporate owners/consolidation	2	5	2	4
Commercial/ratings pressure	6	3	6	4
Loss of Credibility w/ Public	30	28	34	23
Credibility problem	23	22	28	17
Lack of trustworthiness	6	5	8	4
Changing Media Environment	24	15	19	7
Too much competition	17	5	15	2
Need to adapt to changes	--	3	--	2
Speed/pace of reporting	--	5	--	2
Ethics and Standards	11	5	10	6

Continuing Concerns Over Quality

Problems with the quality of coverage remains a major concern of journalists, but an increasing percentage mention business and financial factors. A plurality of national journalists (41%) cite quality concerns such as sensationalistic coverage; the need for accuracy; and a lack of depth, relevance and objectivity as the most important problems facing their profession. Collectively, these were also the top concerns volunteered by national journalists in 1999, and in a similar survey a decade earlier.

Among local journalists, however, business and financial problems are now mentioned as frequently as concerns over the quality of coverage. More than a third of local news people (35%) cite business and financial factors as the biggest problem facing journalism, up from 25% five years ago.

Print Journalists Worried About Losing Readers

There are significant differences among journalists in different media, as well as those working at local and national news organizations, over the biggest problem confronting journalism. Broadcast journalists, especially at the national level, cite issues relating to quality much more often than do their print counterparts. Roughly half of national broadcast journalists (51%) cite quality concerns, compared with 32% of national print journalists.

	-National-		--Local--	
	Print	TV*	Print	TV
	%	%	%	%
Quality of coverage	32	51	30	37
Economic/Business	31	28	36	33
Declining audience	15	2	15	1
Resources/staffing	10	14	9	12
Profit/Ratings pressures	5	9	9	14
Credibility	39	15	33	12

*National TV column also includes journalists working in radio.

By comparison, declining readership is cited by 15% of print journalists at both national and local news organizations, but no more than 2% of broadcast journalists view loss of audience as the most important concern. Instead, broadcast journalists view limits on resources – and the pressure to make profits and get bigger ratings – as the biggest financial problems.

Despite the growing concern over business and financial issues, fewer journalists mention an overly competitive media environment as the biggest problem. In 1999, 17% of national and 15% of local journalists specifically mentioned increasing competition as a problem; just 5% of national and 2% of local journalists say this today.

While the quality of coverage and business concerns are seen as the leading problems facing journalism, the single word mentioned more frequently than any other by journalists assessing their profession is “credibility.” Roughly a quarter of both national and local journalists mentioned problems with public trust and confidence in some form, and one-in-five specifically mentioned credibility as the biggest concern for the profession.

Print journalists are far more likely than those in broadcast to see credibility as the biggest problem facing journalism today. Four-in-ten (39%) journalists working at national newspapers, magazines and wire services say credibility is the biggest problem, compared with just 15% at national TV and radio outlets. And this gap exists at the local level as well, with local print journalists nearly three-times as likely as local broadcast journalists (33% vs. 12%) to cite credibility as their greatest concern.

There is also a sizeable difference between younger and older journalists in perceptions of the credibility problem. Just one-in-ten journalists under age 35 cite concerns about credibility and public trust as the biggest problem facing the profession, compared with about quarter of those age 35 to 54 (26%), and a third of those age 55 and older.

Age	% citing credibility as top problem
18-34	10
35-54	26
55+	33

Though a number of journalists specifically mentioned recent scandals involving New York Times reporter Jayson Blair and USA Today’s Jack Kelley in describing why the profession has lost credibility with the public, relatively few expressed concerns with any broader ethical problems in their field. In fact, just 5% of national journalists (and 6% of local news people) cite ethics or a lack of standards as the biggest problem in journalism, about half as many as in the 1999 survey.

Plagiarism Not Widespread

The vast majority of journalists of all backgrounds and at all workplaces say that plagiarism is no more prevalent today than it has been in the past, just more of a focus on the problem. More than seven-in-ten national (77%) and local (72%) journalists agree with the statement “We are hearing more about plagiarism but its prevalence has not increased.” About one-in-five at both the national and local level (21% of national journalists, 23% local) say there is more plagiarism today than in the past.

There is virtually no difference across different groups of journalists in this perception. Broadcast and print journalists, as well as executives, senior editors, and reporters all predominantly say that recent incidents of plagiarism do not signify a wider problem in the field. There is similarly no difference in this view between young and old, those who are more and less experienced, or those who are more and less educated.

What the Press is Doing Well

Print and broadcast journalists also differ over what journalism is doing well these days. Print journalists most often point to the quality and depth of coverage that is provided. They describe the volume of topics covered, coverage with context and insight, and an ability to make the news interesting and relevant. Fully 42% of local print journalists and 31% of their national counterparts cited some aspect of the quality of coverage as journalism’s best performance trait, compared with just 18% of local broadcast journalists and 19% of national broadcast journalists.

	-National-		--Local--	
	Print	TV*	Print	TV
	%	%	%	%
Quality of Coverage (Scope, relevance, depth Insight, clarity, accuracy)	31	18	42	19
Timeliness and Speed (Breaking news and live coverage)	11	37	14	33
Serving as Watchdog (Investigative reporting)	15	6	9	5
Other Strengths				
Coverage of the war	7	10	3	4
Local news and issues	2	0	9	8
Websites	1	4	1	5
Access to mult. sources	5	7	0	4
Diverse viewpoints	2	1	6	4
Use of technology	2	8	1	4

*The National TV column includes journalists working in radio.

Those working in television and radio are more likely to cite the timeliness and speed of reporting as what journalism is doing best today. Among local journalists, broadcast journalists are more than twice as likely as those working in print (33% vs. 14%) to cite the immediate coverage of live and breaking news as journalism’s greatest strength. This gap is even wider within the national press, with 37% of national broadcast journalists – and just 11% of national print journalists – citing timeliness and speed as the best aspect of today’s news.

The watchdog role of the press is cited as journalism’s strength by fewer in the field. Print journalists are about twice as likely as those in broadcasting to say investigative reporting and watchdog journalism is what the press is doing well these days. By contrast, those in TV and radio make far more mention of the value of news websites and the use of production technology to better deliver news to the public.

Striking the Balance in Coverage

How good a job in striking the balance between what people want and need

	-National-		--Local--	
	1999	2004	1999	2004
	%	%	%	%
Excellent	4	3	6	4
Good	45	46	49	44
Only fair	45	43	42	45
Poor	4	6	3	5
Don't know	2	2	0	2
	100	100	100	100

As was the case five years ago, roughly half of journalists say the profession does a good job of striking a balance between what audiences want to know and what's important for them to know. This opinion is held by comparable numbers of national and local journalists, as well as among those working in both print, broadcast, and Internet media.

Criticisms of the Press

Nearly eight-in-ten in both national and local news organizations believe the criticism that the press pays too little attention to complex issues is valid (78% national, 77% local). This is comparable to findings in previous press surveys conducted in 1995 and 1999. Roughly two-thirds also agree that there are too many talk shows on cable television today, and this view is shared equally by both print and broadcast journalists.

Most journalists also accept as valid the criticism that the distinction between reporting and commentary has seriously eroded, although the percentage who cite this as a valid criticism has, if anything, declined since 1999. However, far more national and local journalists regard this as a legitimate critique than did so in 1995.

Valid Criticisms of the Press

	--- National ---			---- Local ----		
	1995	1999	2004	1995	1999	2004
	%	%	%	%	%	%
Too little attention to complex issues	80	71	78	75	72	77
Blurring of reporting and commentary	53	69	64	44	68	59
Journalists are out of touch with public	--	57	47	--	51	44
Too many factual errors	30	40	45	40	55	47
The press is too cynical	54	53	37	53	51	40
Too many cable talk shows	--	--	63	--	--	64
Internet allows unvetted information	--	--	57	--	--	58
The press is too timid	--	--	47	--	--	42
Ideological views showing too much	--	--	45	--	--	43
24/7 news cycle weakening journalism	--	--	42	--	--	40

A growing number of national journalists, in particular, say news reports are increasingly full of factual errors and sloppy reporting. The number of national journalists who view this as a valid criticism has increased steadily from 30% in 1995 to 40% in 1999 to 45% today. A comparable percentage of local journalists say this is a valid criticism (47%). That represents a decline from 1999 (55%), but is higher than the 1995 level (40%).

In both 1995 and 1999, slim majorities agreed with the criticism that the press was too cynical, but this perception has ebbed among both national (37%) and local (40%) journalists today. In fact, more national journalists say the press is too timid (47%) than too cynical. In addition, the proportion who feel the press can be criticized for becoming out of touch with their audience has dropped slightly within both groups of journalists.

Grading the Media

Journalists give the highest ratings to major national newspapers – 92% of national journalists and 80% of local journalists give national newspapers a grade of A or B. By contrast, local TV news receives the lowest grades; just 32%

of local journalists say local TV news outlets deserve a grade of A or B and national journalists' grades are even lower (21% A or B).

	-National-		--Local--	
	Pct. A/B	Avg. Grade	Pct. A/B	Avg. Grade
National Newspapers	92	B+	80	B
Your own organization	83	B	73	B
Local Newspapers	49	B-	58	B-
Network TV News	43	C+	52	B-
Cable TV News	43	C+	48	C+
Local TV News	21	C-	32	C

Grades for other news media – network TV news, cable TV news, and local newspapers – fall somewhere in between national newspapers and local TV news. In that regard, little has changed from nine years ago, when journalists gave very similar grades to these media organizations.

Most journalists give their own news organization middling grades. Just 22% of national journalists, and 14% of local journalists, gave their organization an A, though roughly six-in-ten of both groups gave their own organization a grade in the B range. These grades also are similar to the grades journalists assigned in 1995.

<i>Percent giving grade of A or B to...</i>	-National-		--Local--	
	Print	TV*	Print	TV
Network TV News	32	55	38	67
Cable TV News	44	41	44	52
Local TV News	14	30	18	47
National Newspapers	92	94	86	75
Local Newspapers	48	50	60	56
Your own news org.	82	82	78	67

*The National TV column includes journalists working in radio.

Print journalists are particularly critical of network and local TV news. Just 32% of national print journalists give favorable grades (A or B) to network TV news, while twice as many (65%) assign grades of C or D. Journalists at local newspapers are, at most, only slightly more favorable. By comparison, a majority of journalists working at both national and local TV and radio outlets give favorable grades to network news programs.

Nearly half (47%) of local TV journalists give favorable grades to their own field's performance, compared with only 18% of local print journalists. The print/broadcast gap is slightly narrower among journalists at national outlets, but only because ratings of local TV news are low among all national reporters whether in print or broadcasting. Among broadcast media, cable TV news channels are the exception to the media divide, as they are graded similarly by both print and TV/radio journalists.

Journalists were also asked to give a grade to national news organizations for their websites, and the marks were fairly strong. Sizable majorities of both national (70%) and local (57%) journalists gave grades of A or B to major media websites. And the grades among local journalists are lower only because more said they were unable to rate these websites – very few in either group gave poor marks to the websites.

Why is Journalism on the Wrong Track?

In the general evaluation of whether their profession is headed in the right direction or the wrong direction, journalists were almost evenly divided in their view. While those taking a pessimistic view were not asked directly what they had in mind, an analysis of their responses to other questions provides some indication of the factors behind this opinion.

In particular, journalists who say things are going badly are significantly more likely to take their profession and employers to task for the quality of the news product. They believe the press has become too timid, and almost unanimously say the press pays too little attention to complex issues. Nearly three-quarters of journalists who say the profession is headed in the wrong direction say the distinction between reporting and commentary has seriously eroded, compared with only half of those who think things are on the right track.

Concerns about the impact of bottom-line pressures also are far more prevalent among those saying the profession is on the wrong track, which is closely related to concerns about sloppy reporting and the increasing commercialization of the news. Many say the emergence of the 24-hour news cycle has weakened journalism and that news reports are increasingly full of factual errors. And those critical of the overall direction of journalism more frequently cite sensationalistic reporting and an emphasis on ratings as the biggest problems facing the profession.

Within the newsroom, those who are unhappy with the leadership of their own news organization are far more negative about the profession as a whole compared with those who are satisfied with their bosses. In addition, those who have participated in training or professional development over the past 12 months are significantly more optimistic about the profession as a whole than those who have had no such training.

Training Linked to Outlook		
	<i>Participated in training or professional development</i>	
<i>Journalism is headed in the...</i>	<i>Yes</i>	<i>No</i>
Right direction	58	36
Wrong direction	38	61
Don't know	4	3
	100	100

But overall cynicism about journalism is not simply an expression of sour grapes on the part of those who have faced economic pressures or staffing cuts at their own place of work. Those who have seen their newsrooms shrink, or who say that resource and staffing limitations are the biggest problem facing the profession, are no more or less likely to be negative about the direction of journalism than those who have not faced resource limitations.

Similarly, there are no generational or ideological divides on this general evaluation of the state of the profession. Journalists young and old, liberal, moderate and conservative are all about evenly divided in terms of whether they are optimistic or pessimistic about the field.

Section II: Covering the President and the Campaign

Press Going Too Easy on Bush

Bottom-Line Pressures Now Hurting Coverage, Say Journalists

by the Pew Research Center for the People and the Press

Overview

Section I: Views on Performance

Section II: Covering the President and the Campaign

Section III: Today's Changing Newsroom

Section IV: Values and the Press

NOTE: This report is also available on the Pew Research Center Web site.

Section II: Covering the President and the Campaign

Many journalists today feel that news media has lost its critical edge – especially when it comes to coverage of the Bush administration. Reporters and editors in national news organizations, in particular, feel the press has gone too

easy on the Bush administration. Moreover, the perception that news organizations have gone soft is not confined to attitudes about coverage of Bush. An increasing number of both national and local journalists feel the traditional criticism of the press as too cynical is no longer valid. Indeed, on both the national and local level, more fault the press for being too timid than too cynical.

The journalists surveyed give middling ratings to national news coverage of Bush's presidency. A narrow majority of national journalists (53%) give the coverage a grade of A or B; local journalists are far less generous in their grading of how their colleagues in national news organizations have covered Bush (43% A or B). In a similar survey in 1995, national journalists, in particular, offered more positive opinions of coverage of the Clinton administration (65% A or B).

The journalists are somewhat more positive in their assessments of the presidential campaign. A majority of national journalists (56%) say coverage of the campaign has been better than coverage of the 2000 campaign. Local journalists are more divided: 46% say coverage of the current campaign is better than in 2000, while 34% say it is worse.

Differences Over Bush Coverage

Solid majorities of national print and TV journalists, as well as Internet journalists, say the media has not been critical enough in its coverage of the administration. A smaller plurality of local print journalists agree (46%).

	-National-		--Local--	
	Print	TV*	Print	TV*
<i>Press coverage of Bush administration has been...</i>	%	%	%	%
Too critical	9	8	14	25
Not critical enough	55	55	46	28
Fair	34	36	40	44
Don't know/Refused	2	1	0	3
	100	100	100	100

*The TV columns include journalists working in radio.

But local television journalists, on balance, feel the coverage of the Bush administration has been fair. A plurality of this group (44%) believes the coverage has been fair; moreover, nearly as many say coverage has been too critical of the administration (25%) as say it has been not critical enough (28%).

Ideological Divisions

Much has been made of the public's ideological divisions in this election year, but journalists also are divided along ideological lines over several issues, including press coverage of the Bush administration. Liberals who work in national and local news organizations overwhelmingly feel the press has not been critical enough of the Bush administration. Roughly two-thirds of liberal journalists (68%) express that view, compared with 28% who say coverage has been fair and 3% who believe the press has been too critical of the administration.

	<i>Journalist's ideology</i>		
	Cons	Mod	Lib
<i>Press coverage of Bush administration has been...</i>	%	%	%
Too critical	53	12	3
Not critical enough	17	44	68
Fair	30	43	28
Don't know/Refused	0	1	1
	100	100	100

Self-described moderates offer a mixed judgment of the Bush coverage – about the same percentages say it has not been critical enough (44%) and fair (43%). But most conservatives (53%) think the press has been too critical of the administration, compared with 30% who view it as fair and 17% who think it has been too critical.

Beyond Bush: Cynicism Concerns Decline

In the 1999 survey, narrow majorities of both national (53%) and local (51%) journalists agreed that the statement, “the press is too cynical,” represented a valid criticism of news organizations.

Many Now View Press as Too Timid				
	-National-		--Local--	
	1999	2004	1999	2004
<i>The press is too cynical</i>	%	%	%	%
Valid criticism	53	37	51	40
Not a valid criticism	45	63	48	59
Don't know/Refused	2	0	1	1
	100	100	100	100
<i>The press is too timid</i>				
Valid criticism	--	47	--	42
Not a valid criticism	--	52	--	56
Don't know/Refused	--	1	--	2
		100		100

But there has been a dramatic decline in the percentage of national and local journalists who feel the press can be legitimately criticized for excessive cynicism. Just 37% of national journalists and only slightly more local journalists (40%) view the press as too cynical. This pattern is even more apparent among Internet journalists: 24% view the press as too cynical, compared with 48% five years ago.

Internet journalists, in particular, believe that the press can be faulted for being too timid rather than too cynical (56% too timid vs. 24% too cynical). Journalists working at national news organizations agree (47% vs. 37%). But local journalists are split: 42% view the press as too timid, 40% too cynical.

Ideological Coverage – Valid Criticism?

Overall, news people are divided over whether journalists today too often let their own ideological views show in their reporting. Similar percentages of national (45%) and local (43%) journalists view this as a valid criticism.

Executives Differ Over Ideological Coverage						
	-----National-----			-----Local-----		
<i>Journalists let ideological views show too often...</i>	Execu- tives	Top editors	Repor- ters	Execu- tives	Top editors	Repor- ters
	%	%	%	%	%	%
Valid criticism	38	46	46	73	36	33
Not valid	62	51	52	27	61	67
Don't know	0	3	2	0	3	0
	100	100	100	100	100	100

But local executives, in particular, approach this issue very differently. Roughly seven-in-ten local news executives (73%) say coverage too often reflects a journalist's ideology; roughly six-in-ten national news executives (62%) agree that this is not a valid criticism of the press.

By comparison, there is broad agreement across the spectrum of reporters, managers and executives that is a bad thing if news organizations take a “decidedly” ideological point of view in their coverage of the news. Fully 72% of national journalists and 74% of local journalists have a negative view of news organizations taking a strongly ideological stance in their coverage.

Fox's Outsized Impact

Most national and local journalists do not believe any national daily news organization is “especially liberal” in its news coverage. Roughly six-in-ten in both groups (62% national/59% local) say no national daily news organization strikes them as particularly liberal in its coverage. Among the minority that names a specific news organization as being especially liberal, the New York Times was mentioned most frequently (20% national/17% local).

Political Point of View in Daily News Coverage			
<i>Can you think of any news orgs. that are... especially liberal?</i>			
	<u>National</u>	<u>Local</u>	
	%	%	
Yes	38	41	
NY Times	20	17	
CNN	2	6	
CBS News	2	5	
Wash. Post	4	2	
NPR	2	2	
NBC News	1	3	
ABC News	2	2	
Other	5	5	
No/Don't know	62	59	
	100	100	
<i>...especially conservative?</i>			
	<u>National</u>	<u>Local</u>	
	%	%	
Yes	82	63	
Fox News	69	42	
Wall St. Journal	8	11	
Wash. Times	9	4	
Radio (misc. non-NPR)	2	2	
NY Post	1	1	
Other	3	6	
No/Don't know	18	37	
	100	100	

By contrast, solid majorities of both national and local journalists say there is an organization that they think is especially conservative – and for most the organization that comes to mind is Fox News Channel. Fully 69% of national journalists cited Fox News Channel as especially conservative in its coverage. Fewer local journalists (42%) mentioned Fox; still, a much higher percentage of local journalists named Fox than any other single news organization, conservative or liberal.

Most Liberals Don't See a Liberal Point of View	<i>Journalist's Ideology</i>		
	<u>Cons</u>	<u>Mod</u>	<u>Lib</u>
	%	%	%
Think of any news org. that is... Especially liberal	68	40	24
Especially conservative	68	70	79

Roughly two-thirds of self-described conservatives (68%) could identify a specific news organization that is especially liberal, and the same number (68%) could name a news organization that is “especially conservative.” But moderates and liberals could identify conservative news organizations far more often than liberal ones. Roughly three-quarters of liberals (74%) and a majority of moderates (56%) say they couldn't think of any news organization that is especially liberal.

Section III: Today's Changing Newsroom

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Section III: Today's Changing Newsroom

Newsroom staff cutbacks are hitting print journalism at both the national and local level. About half of respondents working at newspapers or magazines (48% nationally, 54% locally) say the size of their newsroom staff has decreased in the past three years. Relatively few in the print sector are seeing growth in the number of staff.

The picture is more mixed in television and radio, with about equal numbers saying their newsrooms are growing as shrinking. About half (47%) of those in national broadcast media say there has been no change in staffing compared with three years ago.

	-National-		--Local--	
	Print	TV*	Print	TV
<i>Newsroom staff size over past 3 years</i>	%	%	%	%
Decreased	48	26	54	31
Increased	15	22	16	30
Stayed the same	34	47	29	32
Don't know	3	5	1	7
	100	100	100	100
<i>Repackaging stories...</i>				
More often	52	43	53	42
Same amount	16	25	15	24
Less often	0	2	3	5
Don't repackage	13	10	6	14
Don't know	19	20	23	15
	100	100	100	100

* The National TV column includes journalists working in radio.

One significant change in the news business is growth in the practice of repackaging and repurposing news stories for multiple uses. About half of both national and local respondents (48% each) say they are doing this more now than in the past; print and broadcast journalists at each level are similar in this respect.

At the same time, relatively few voice unhappiness with this trend, with the notable exception of local broadcast reporters. Three-in-ten local TV reporters (29%) say they are unhappy over repackaging stories for multiple purposes. That compares with only about one-in-ten national radio and TV news people, and similar percentages of national and local print journalists.

Ratings of Management

<i>Quality of leadership in your news organization</i>	-----National-----			-----Local-----		
	Execu- tives	Top editors	Repor- ters	Execu- tives	Top editors	Repor- ters
	%	%	%	%	%	%
Excellent	54	30	23	40	18	15
Good	38	41	42	38	67	38
Fair	3	25	25	9	10	35
Poor	0	3	8	2	1	11
Don't know	5	1	2	11	4	1
	100	100	100	100	100	100

Most journalists today give good ratings to the quality of leadership in their own organizations, a view that has changed little since 1999. At the national level, 30% of news professionals say their management is doing an excellent job, and 41% say they are doing a good job. There is relatively little difference between national print and broadcast media in leadership ratings. But over half of executives at the national level say the quality of leadership is excellent (and 38% rate it as good). Senior newsroom staff and line journalists are less positive.

At the local level, 22% overall rate leadership as excellent, and nearly half (47%) say the quality is good. Ratings are higher among local newspaper journalists than among those in television and executives rate leadership more positively than reporters and producers.

Training and professional development programs are fairly common in newsrooms today. About half (47%) of national journalists and 56% of local journalists say they have participated in such activities provided by their news organization in the past twelve months. Among those who have taken part in training, close to half say they participated in such a program for five days or more over the past year.

Executives and senior editors and producers are more likely than line staff to report having taken part in professional development activity. Respondents who have participated in training rate their own news organization's management more highly than those who have not participated, and this is especially true of reporters.

In a related area, large majorities of respondents (76% nationally and 77% locally) say there are ongoing management efforts to address ethical issues in their newsroom, about the same as in 1999. As with training and professional development, those who report that their organizations are engaged in this activity rate their management more favorably.

Internet's Impact Mostly Positive

Most news professionals (60% at the national level, 51% locally) say the emergence of the Internet has made journalism better; very few say it has hurt journalism. These views are fairly similar to those expressed by journalists in 1999. More local journalists say the Internet has had either a positive or negative impact, with higher percentage today saying it has made journalism worse (18% compared with 8% in 1999). Only local news executives are divided over the Internet's impact: 31% say it has been good for journalism; 27% view it negatively.

The Internet

<i>Emergence of the Internet has made journalism...</i>	-National-		--Local--	
	1999	2004	1999	2004
	%	%	%	%
Better	54	60	47	51
Worse	12	15	8	18
Not much difference	26	21	42	27
Both (vol.)	5	3	2	2
Don't know	3	1	1	2
	100	100	100	100

Not surprisingly, enthusiasm about the Internet is greatest among younger respondents in the survey. More than seven-in-ten (72%) of those under 35 years of age think the Internet has been good for the profession; just 13% view it

negatively. Journalists age 35 and older also have a generally positive view of the Internet's impact, though by a much smaller margin (54% better, 15% worse).

Changes for the Better

Those who believe the Internet has helped journalism most frequently cite its power as a research tool. Nearly half of those who see a positive impact of the Internet mention some aspect of the Internet as a convenient place to find timely information, to get data at any hour of the day, and to do fact-checking on deadline. Those who work for local news organizations are especially likely to mention this benefit of the Internet (61% of local vs. 47% of national and 16% of Internet journalists).

Another widely noted positive impact of the Internet is its ability to deliver information to the public more quickly and to promote greater competition among news organizations. This view is much more prevalent among print journalists than among those working in TV and radio. A frequent comment within this theme is that print journalism now has the ability to compete with television and radio for breaking news. Also, the speed of the Internet in delivering information was the single most cited benefit among journalists who work primarily on their organization's websites.

About one-in-five say the Internet has helped journalism by making far more information available to the public, and by helping to improve the accuracy of the information. A related notion, mentioned about as often, is that the Internet has broadened the range of outlets and voices available to the public. This includes more points of view, deeper stories, and coverage of topics and stories that otherwise would not have fit into existing time and space available. These changes have forced journalism to be more innovative and responsive to the public; one respondent said the Internet has "democratized the press."

A less common argument for why the web has made journalism better is that the Internet has made journalism more accountable by enabling the public – and other journalists – to more easily verify the accuracy of information and communicate these concerns directly to those who produced a report. Only around one-in-twenty who see the web as having had a positive influence make this case.

Changes for the Worse

Those who think the Internet has been bad for journalism most often cite the fact that it promotes the spread of unvetted and unfiltered information to the public; nearly half (53% national, 45% local) cite this concern. Others express a related concern about the speed and pressure of the Internet leading to too many factual errors in news coverage (17% national, 29% local).

Another concern raised by some is that the Internet has promoted the rise of pseudo-journalism, "junk" sites, and low-brow news. One negative consequence cited by several respondents is that "news" reported on these sites force mainstream journalists to waste time chasing down baseless rumors and innuendo. In a similar vein, a smaller group refers specifically to the Internet having damaged the credibility of journalism in the mind of the public.

Around one-in-ten who see the Internet as having a bad influence on journalism say the web has made journalists lazy by allowing them to do research at their desks rather than going out into the field, with some specifically stating that the Internet has made plagiarism too easy.

Internet's Downside

The survey's respondents were asked specifically about two issues related to the growth of the Internet: increased deadline pressures, and the potential spread of misinformation and rumors into the news. Majorities of both print and broadcast journalists say that the Internet has increased the amount of bad information that finds its way into news stories. Overall, 65% of national journalists and 57% of local journalists agree; smaller numbers think there has been no change (31% nationally, 38% locally). Hardly anyone thinks the Internet has reduced the amount of misinformation in circulation, though only 38% of those working with websites think the problem is worse because of the Internet.

Internet's Impact

	-National-		--Local--	
	Print	TV*	Print	TV
<i>On deadline pressures...</i>	%	%	%	%
Increased	53	31	48	22
Decreased	1	2	3	3
No Change	45	66	49	72
Don't know	1	1	0	2
	100	100	100	100
<i>On level of misinformation released to the public</i>				
Increased	60	70	60	54
Decreased	2	1	3	1
No Change	35	26	35	41
Don't know	3	3	2	4
	100	100	100	100

*The National TV column includes journalists working in radio.

But there is a considerable difference of opinion on the Internet's impact on deadline pressures. Majorities overall believe the Internet has neither increased nor decreased such pressures (55% of national respondents, 60% of local respondents feel this way). Hardly anyone thinks deadline pressures have declined, and 42% at the national level and 35% at the local level say the pressure is greater.

Within these averages there is a great deal of variation by type of medium and by job title. At both the national and local level, print journalists are far more likely than TV and radio journalists to say deadline pressure has been increased by the Internet. National media executives are more likely than their editors or line journalists to feel this way. And, perhaps not surprisingly, those whose principal job responsibility is Internet-based journalism are the most likely to feel greater deadline pressures (78%).

Journalists in the Online Sector

The poll included a separate sample of 68 journalists whose job responsibilities include managing, editing, or writing for the online outlets of national and local news organizations. Job titles for this group of respondents included "online content manager," "online editor," "website manager," and the like.

For the most part, online journalists are not significantly different from others demographically with the exception of age. The average age of respondents in the Internet group is 42, compared with 46 among the rest of the sample. Similarly, those working in online jobs had an average of 18 years experience, compared with 22 years for the rest of the respondents. More say they have undergone training or professional development activities provided by their organization (66% vs. 52%). And far more say the Internet has increased their deadline pressures.

Given the evolving nature of news organizations' websites, it is no surprise that those in the online sector say they are doing more repackaging of stories than in the past: 71%, versus 48% for other journalists. But more are happy about the change than unhappy by a margin of five-to-one (44% vs. 9%).

In most cases, the opinions of online journalists track closely with non-Internet journalists regarding the state of the profession, the reasons for declining audiences, the validity of criticisms about journalism, the quality of their own news organization, and their own personal and political

values. They are somewhat more likely than their counterparts who work in broadcasting to say journalists have become out of touch with their audiences, and to offer that a boring and static news product is one reason some media are facing declining audiences, but many print journalists share this concern. In that vein, more online journalists than others in both print and broadcasting see the changing media environment as the biggest problem facing journalism.

Not surprisingly, most of the key differences between the views of online journalists and others pertain to the role of the Internet itself. One of the biggest differences is that majorities (57%) of those whose principal job is not in online journalism say the Internet allows too much posting of links to material that is unfiltered or unvetted; just 28% of those

working in the sector agree that this is a valid criticism. Similarly, far more of those who do not primarily work on their news organization's website say the Internet has allowed more misinformation to find its way into news stories (61%, compared with just 38% among online journalists). And fewer Internet than non-Internet journalists say the Internet has hurt journalism (3% versus 16%).

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Section IV: Values and the Press

Journalists at national and local news organizations are notably different from the general public in their ideology and attitudes toward political and social issues. Most national and local journalists, as well as a plurality of Americans (41%), describe themselves as political moderates. But news people – especially national journalists – are more liberal, and far less conservative, than the general public.

	General Public*	Nat'l Press	Local Press
<i>Ideological self-rating</i>	%	%	%
Liberal	20	34	23
Moderate	41	54	61
Conservative	33	7	12
Don't know	6	2	4
	100	100	100

*Public figures from May 2004 Pew Media Believability Study (N=1800)

About a third of national journalists (34%) and somewhat fewer local journalists (23%) describe themselves as liberals; that compares with 19% of the public in a May survey conducted by the Pew Research Center. Moreover, there is a relatively small number of conservatives at national and local news organizations. Just 7% of national news people and 12% of local journalists describe themselves as conservatives, compared with a third of all Americans.

In this regard, Internet journalists are similar ideologically to local journalists: 57% describe themselves as moderates, while 27% say they are liberals and 13% conservatives. Local TV and radio journalists include the lowest percentage of liberals of any of the journalist groups surveyed (15%). Even among local TV and radio journalists, however, just 13% describe themselves as conservatives.

Major Differences: God and Morality, Homosexuality

The 1995 survey of journalists found particularly sharp differences between journalists and the public when it came to attitudes toward morality and homosexuality. A solid majority of Americans consistently have expressed the opinion that it is necessary to believe in God to be a moral person. Nearly six-in-ten (58%) expressed that view in a 2002 Pew Research Center survey, while 40% said that belief in God is not a prerequisite for morality. Journalists, regardless of their organization and position, take a decidedly different view. Fully 91% of those who work at national news organizations say it is not necessary to believe in God to be moral; 78% of local journalists agree.

Values Gap on Social Issues

	General Public*	Nat'l Press	Local Press
<i>Belief in God ...</i>	%	%	%
Is necessary to be moral	58	6	18
Is not necessary to be moral	40	91	78
Don't know	2	3	4
	100	100	100
<i>Homosexuality should be...</i>			
Accepted by society	51	88	74
Discouraged by society	42	5	14
Don't know	6	7	12
	100	100	100

*Public figures from U.S. component of the 2002 Pew Global Attitudes Project (Aug. 19-Sept. 8, 2002, N=1,501)

As was the case in 1995, journalists are much more accepting of homosexuality than is the general public. Overwhelming majorities of national (88%) and local (74%) say homosexuality should be accepted by society. Only about half of the public agrees (51%).

Since the mid-1990s, however, public support has increased for societal acceptance of homosexuality, while journalists' attitudes have been more stable. In a 1993 Times-Mirror survey, most Americans (53%) said homosexuality should be discouraged; today a narrow majority (51%) believes homosexuality should be accepted. National journalists also have become slightly more accepting of homosexuality since 1995 (83% then, 88% today), while local journalists' views have been stable (75% then, 74% today).

More Agreement on Safety Net

There is more common ground between news professionals and the public in attitudes toward individual freedom and government assistance for needy people. Identical majorities of local journalists (58%) and the public (58%) say it is more important that Americans be free to pursue their goals without government interference, than that government guarantee that no one is in need.

Personal Freedom Vs. Government Safety Net

	General Public*	Nat'l Press	Local Press
<i>What's more important...</i>	%	%	%
Everyone free to pursue goals w/out govt. interference	58	49	58
Govt. guarantee that no one is in need	34	42	35
Don't know	8	9	7
	100	100	100

*Public figures from U.S. component of the 2002 Pew Global Attitudes Project (Aug. 19-Sept. 8, 2002, N=1,501)

National journalists are divided over this question – 49% place higher priority on freedom from government interference while 42% say it is more important that the government play an active role to guarantee aid to the needy. Opinion among Internet journalists divides along similar lines: 51% believe freedom from government interference is more important; 43% say a government guarantee of aid for the needy is more important.

Conservative Journalists Secular Too

There is a broad consensus among news professionals, regardless of their ideology, that it is not necessary to believe in God to be moral. But other issues – homosexuality and the government's role in aiding the needy – produce wider fissures along ideological lines.

Ideology and Values

	<i>Journalist's ideology</i>		
	Cons	Mod	Lib
	%	%	%
<i>Necessary to believe in God in order to be moral?</i>			
Yes	26	12	3
No	72	85	96
Don't know	2	3	1
	100	100	100
<i>Homosexuality</i>			
Should be accepted by society	49	84	95
Should be rejected by society	40	8	2
Don't know	11	8	3
	100	100	100
<i>Which is more important?</i>			
Govt. guarantee no one is in need	9	36	61
People free from gov't interference	88	57	33
Don't know	3	7	6
	100	100	100

Journalists who identify themselves as liberals are virtually unanimous in their view that homosexuality should be accepted by society (95% agree). More than eight-in-ten moderates (84%) agree. But only about half of conservatives (49%) say homosexuality should be accepted.

The news people surveyed also are deeply divided over the question of whether individual freedom, or government aid to the needy, is more important. Liberals by a wide margin (61%-33%) place greater priority on government guarantees of aid for the needy. By contrast, conservatives overwhelmingly say it is more important that everyone be free to pursue life's goals (88%); just 9% feel it is more important for government to guarantee that no one is in need.

Methodology

Survey Methodology

This survey is based on interviews with 547 journalists and news media executives by telephone and online. The same questionnaire was used for both modes. The interviews were completed from March 10, 2004 through April 20, 2004.

Design of the Media Samples

Three samples were drawn for this survey: a national news media sample, a local news media sample and an Internet news sample. Both the national and local samples were divided into two groups: print and broadcast (which includes television and radio).

For the national sample, the print category includes newspapers, magazines, wire services, and news services; the television category encompasses cable, television and radio networks.

For the local sample, the print category includes newspapers from a listing of the top 100 newspapers ranked by circulation, excluding those selected for the national sample. The television category includes local television stations from the top 100 media markets.

Within each of these market/medium strata (national and local, print and television), specific organizational positions (i.e., managing editor, correspondent) were selected.

The Internet sample was selected from online-only news outlets, as well as the online news outlets of traditional print and television news organizations. The specific sampling procedures are outlined below.

To obtain a sample that represented a cross-section of news organizations and of the people working at all levels of those organizations, the news media were divided into the following groupings:

(1) Importance of medium in terms of size of audience, market or influence.

- a) National audience
- b) Local audience
- c) Internet audience

(2) Type of media

- a) Newspapers
- b) News magazines
- c) Wire services
- d) News services
- e) Television stations and networks
- f) Radio stations and networks

(3) Organizational responsibility of the individual respondent

- a) Executive
- b) Senior editors and producers
- c) Working editors and journalists

Identifying the Samples

National newspapers were identified using 2002 circulation numbers in 2003 Editor & Publisher International Year Book.

National television news organizations included the three national networks, major national cable networks, public television, and radio chains with Washington, D.C. bureaus. Particularly for the national sample, every attempt was made to replicate the selection of news organizations used for an earlier Center survey conducted in 1995.

The news media executives and journalists in each position within these organizations were drawn from the News Media Yellow Book database online, with the exception of national radio organizations, which were drawn from Bacon's MediaSource, and national newspapers, which were drawn from Editor & Publisher International Year Book. A complete listing of the selected national news organizations is below.

Local newspapers were also identified using 2002 circulation numbers in 2003 Editor & Publisher International Year Book. They include the 84 (out of the top 100) papers that were not pulled for the national sample.

Local television stations were selected from the top 100 media markets, as defined by Nielsen Media Research for 2003. After the local sample was selected, Bacon's MediaSource was used to identify the news media executives and journalists in each organization.

Respondents were selected using a two-stage sampling procedure. In the first stage, news media organizations were selected and in the second stage individuals were chosen from those organizations. The criteria for selecting national and local news organizations are outlined below.

Media Organizations Sampled

National Media

Television Networks

ABC, CBS, NBC, PBS,
CNN, C-SPAN, CNBC,
MSNBC, FOX Cable News,
Telemundo, Univision

Chains with Washington, D.C. Bureaus

Gannett, Cox, Hearst

Radio

Associated Press Radio
ABC Radio Networks
CBS Radio Networks
Westwood One
Black Radio Network
National Public Radio

Newspapers

Arizona Republic
Atlanta Journal-Constitution

Boston Globe
Chicago Tribune
Detroit Free Press
Houston Chronicle
Long Island Newsday
Los Angeles Times
Miami Herald
New York Daily News
New York Times
Philadelphia Inquirer
San Francisco Chronicle
USA TODAY
Wall Street Journal
Washington Post
Magazines
Newsweek
Time
U.S. News & World Report
Wire Services
Associated Press
Bloomberg News Service
Reuters
News Services
Copley
Cox Newspapers
Gannett
Hearst
Knight-Ridder
Newhouse
Scripps-Howard

Local Media

Television

A random sample was selected from all stations listed in the top 100 media markets.

Print

The top 100 newspapers ranked by circulation were selected, excluding those newspapers selected for the national sample.

Respondents Selected at each Organization (By Title)

National Sample

Executive Level

TV & Radio: President/CEO, Vice President, General Manager, Station Manager

Print: Publisher, President/CEO, Vice President

Senior Editors and Producers

TV & Radio: News Division Executive, Executive Producer

Print: Assistant Managing Editor, Managing Editor, Executive Editor, Section Editor

Working Journalists and Editors

TV & Radio: Bureau Chief, Senior Producer, Correspondent, Anchor

Print: Bureau Chief, Senior Editor, Columnist, Associate Editor, Reporter, Correspondent, Assignment editor

Local Sample

Executive Level

Television: President/CEO, Vice President, General Manager, Station Manager

Print: Publisher, President/CEO, Vice President

Senior Editors and Producers

Print: Assistant Managing Editor, Managing Editor, Executive Editor, Business, Metro and Editorial Section Editors

Television: News Director

Working Journalists and Editors

Television: Producer, Correspondent

Print: National Editor, Editor, Reporter, Senior Editor, National and Foreign Editors, Associate Editors, Columnist

Internet Sample

Online Producer, Online Vice President, Online Content Manager, General Manager of Website, Online Editor

The national and local news media samples were each divided into subgroups, defined by the type of news organization and the respondent's position within that organization. Each subgroup was randomly split into replicates. Quotas were set for the number of interviews to be completed in each subgroup. The Internet sample was also assigned a quota. These quotas were set to ensure adequate representation of the smaller subgroups in the final sample of completed interviews. The subgroups, quotas, and number of completed interviews for each are listed below.

Component	Quota	Completed
<i>National Print</i>	110	130
<i>National Newspapers</i>		
Executives	12	12
Senior Editors and Producers	21	28
Working Journalists and Editors	34	40
<i>National Magazines</i>		
Executives	4	2
Senior Editors and Producers	7	7
Working Journalists and Editors	11	12
<i>National News Services</i>		
Executives	2	3
Senior Editors and Producers	4	7
Working Journalists and Editors	7	10
<i>Wire Services</i>		
Executives	2	1
Senior Editors and Producers	3	3
Working Journalists and Editors	3	5
<i>National Broadcast</i>	110	117
<i>National TV and Radio</i>		
Executives	20	19
Senior Editors and Producers	35	38
Working Journalists and Editors	55	60
<i>Local Print</i>	115	118
<i>Local Newspapers</i>		
Executives	30	28

Senior Editors and Producers	35	39
Working Journalists and Editors	50	51
Local Broadcast	115	114
<i>Local TV News</i>		
Executives	30	27
Senior Editors and Producers	35	33
Working Journalists and Editors	50	54
Internet	50	68

Each person sampled for this survey was mailed an advance letter. The letters were intended to introduce the survey to prospective respondents, describe the nature and purpose of the survey and encourage participation. The letter was sent from the Pew Research Center; the Project for Excellence in Journalism; and the Committee of Concerned Journalists was involved. It contained a URL and a password to complete the survey online as well as notification that interviewers would be calling as well.

As soon as the letters were mailed, a website was available for respondents to complete the interview online.

Approximately one week after the letter was mailed, trained interviewers began calling the sampled individuals to remind them of the letter, discuss doing the survey online or conducting the interview on the telephone. In all cases, a follow-up email was sent after three days of initial calls, repeating the substance of the letter and providing the URL again.

If a respondent refused an interview, in most cases an email appeal was sent, asking the individual to reconsider. This was followed approximately one week later by another telephone call.

If a member of the sample had not completed the interview online or by telephone within two weeks of mailing the first letter, follow-up telephone calls were made to complete the interview or to schedule an appointment to do so.

The interviewers were experienced, executive specialists trained to ensure their familiarity with the questionnaire and their professionalism in dealing with news media professionals. The interviews were completed from March 10, 2004 through April 20, 2004.

Interviews were completed with 67% of the selected news media respondents who still held their position; 12% could not be reached in order to complete an interview, despite repeated calls; and 21% refused to participate in the survey.

Profile of News Professionals

Journalists and managers in major national and local news organizations tend to be well- educated, middle-aged, with substantial experience in the field. The median age of those surveyed is 47 years, with nearly four-in-ten (38%) falling between 45 and 54 years of age. Only 13% are under the age of 35. The median experience of the respondents is 22 years.

Most of the journalists surveyed have a college degree; less than 10% have not completed college. Significant numbers have a graduate degree or at least some graduate school experience. About half of print journalists have a degree in journalism; communications degrees are more common among broadcast professionals at the local level.

About The Story – Intro

About the Study

The State of the News Media report was written by the Project for Excellence in Journalism, with the aid of many collaborators. Funding was provided by the Pew Charitable Trusts.

[Click here](#) for information about printing pages from the report.

Methodology

Details on how we put together study together, including background on the content analysis sections.

Authors and Collaborators

A list of people who worked on the report.

Source Bibliography

An alphabetical listing of all the sources referenced in the report, including Web addresses.

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The State of the News Media 2004

An Annual Report on American Journalism

★ Newspapers ★ Online ★ Network TV ★ Magazines ★

State of the



News Media

★ Cable TV ★ Local TV ★ Radio ★ Ethnic / Alternative ★

By the Project for Excellence in Journalism

Executive Summary

For the full report, log onto www.Journalism.org



Letter From the Director

This report, *The State of the News Media 2004*, is an inaugural effort to provide people with a new resource—a comprehensive look each year at the state of American journalism.

Our goal is to put in one place as much original and aggregated data as possible about each of the major sectors of journalism in the United States. Previously, these data were either unavailable or scattered among disparate sources across many organizations.

The full study is available online at www.Journalism.org. What you are reading here is an executive summary, in which we have highlighted key findings in bullet form to offer a quick sketch of each media sector.

In both reports, eight media are covered: network television, cable television, newspapers, magazines, the Internet, radio, local TV and the ethnic and alternative news media.

For each area, we have produced original research and aggregated existing data into a comprehensive look at six different issues:

- A sense of the editorial content
- Audience trends
- Economic trends
- Ownership trends
- Newsroom investment trends
- Data on public attitudes about that sector

Online, there is another feature: we have collected all the data and presented it in a format that users can explore on their own, making their own charts and graphs.

Our goal with this study is to take stock of American journalism and to answer essential questions about its trends and direction, synthesizing all available information in an independent and dispassionate manner. It is not designed as an argument. We hope, instead, it becomes a distinctive and reliable resource, a one-stop-shop for

information on the state of journalism.

The study is the work of the Project for Excellence in Journalism, an institute affiliated with Columbia University Graduate School of Journalism. The study is funded by the Pew Charitable Trusts.

Many partners contributed to the work. The chapters on television and cable were produced and jointly written in collaboration with Andrew Tyndall of ADT Research. The report on newspapers is co-authored by Rick Edmonds of the Poynter Institute. The content analysis was executed by Princeton Survey Research Associates and Tyndall under the direction of the Project. The methodology and statistical work were supervised by Esther Thorson, associate dean for graduate studies and research at the University of Missouri School of Journalism. Irvin Molotsky, former reporter and editor at the *New York Times*, was the copy editor.

Each chapter was read by a group of experts in each field. We owe a significant debt, as well, to our sister group, the Committee of Concerned Journalists and its chairman, Bill Kovach. More details on their contributions and all the methodology are available online.

Later this spring, we will add another component: a survey of journalists about the state of journalism. The survey, which also will be annual, will be produced in partnership with the Pew Research Center for the People and the Press.

If this executive summary interests you, find the full report online and share your thoughts with us as we begin to prepare the 2005 report.

T. R. J.

Tom Rosenstiel

*What we are witnessing are
the dichotomous trends of
fragmentation and convergence
simultaneously, and they
sometimes lead in opposite
directions.*

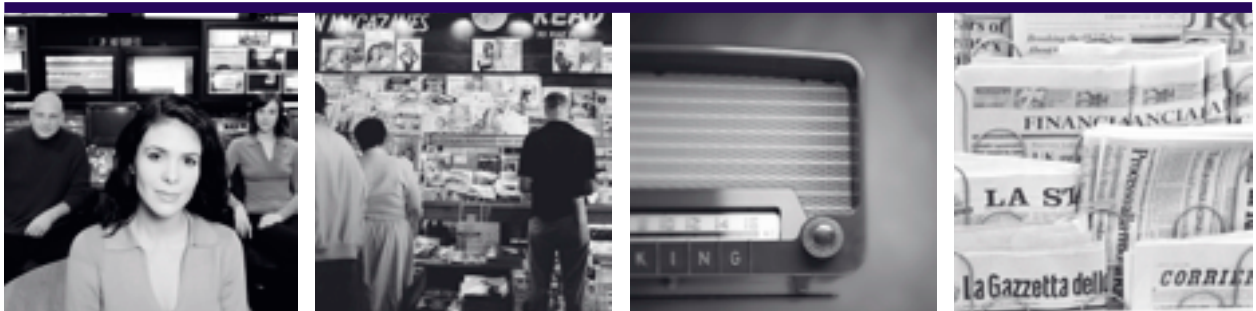


The State of the News Media 2004

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www.Journalism.org





Overview

Glance at some items in the news of late and it seems many long-held ideas about journalism are unraveling.

President George Bush told ABC's Diane Sawyer in December that he prefers to get his news not from journalists but from people he trusts, who "give me the actual news" and "who don't editorialize." After spending time with White House senior staff, New Yorker writer Ken Auletta concluded they saw the news media as just another special interest group with an agenda—and that is making money, not serving the public.

Some argue that as Americans move online, the notion of news consumers is giving way to something called "pro-sumers," in which citizens simultaneously function as consumers, editors, and producers of a new kind of news in which journalistic accounts are but one element.

With audiences now fragmented across hundreds of outlets with varying standards and agendas, others say the notions of a common public understanding, a common language and a common public square are disappearing.

For some, these are all healthy signals of the end of oligarchical control over news. For others, these are harbingers of chaos, of unchecked spin and innuendo replacing the role of journalists as

gatekeepers over what is fact, what is false and what is propaganda. Whichever view one prefers, it seems everything is changing.

Or is it?

The answer we arrive at in 2004 is that journalism is in the middle of an epochal transformation, as momentous probably as the invention of the telegraph or television.

Journalism, however, is not becoming irrelevant. It is becoming more complex. What we are witnessing are the dichotomous trends of fragmentation and convergence simultaneously, and they sometimes lead in opposite directions.

While audiences are fragmenting, we have greater capacity than ever to come together as a nation in an instant—for September 11th, the Super Bowl or watching soldiers live on the battlefield in Iraq. While Americans are turning to more and varied sources for news, the media they're consuming increasingly tend to be owned by a few giant conglomerates competing to cover what seem to be at any moment only a handful of major stories.

Quality news and information are more available than ever before. Yet so in greater amounts are the trivial, the one-sided and the false. Some people will likely become better informed than they once could have been as they drill down to

original sources. Other consumers may become steeped in the sensational and diverting. Still others may move toward an older form of media consumption—a journalism of affirmation—in which they seek news largely to confirm their preconceived view of the world.

The journalists' role as intermediary, editor, verifier and synthesizer is weakening, and citizens do have more power to be proactive with the news. But most people will likely do so only episodically. And the proliferation of the false and misleading makes the demand for the journalist as referee, watchdog, and interpreter all the greater.

These conflicting movements toward fragmentation and convergence are not new to the culture in general or media in particular, but they have different consequences when they come to news. Journalism is how people learn about the world beyond their direct experiences. As our journalism fragments, it has consequences for what we know, how we are connected and our ability to solve problems.

Eight Major Trends

For now, the year 2004, the transformation is shaped by eight overarching trends:

- *A growing number of news outlets are chasing a relatively static or even shrinking audience for news.* One result of this is that most sectors of the news media today are losing audience. That audience decline, in turn, is putting pressures on revenues and profits, which leads to a cascade of other implications. The only sectors seeing general audience growth today are online, ethnic and alternative media. While English-language newspapers have seen circulation decline steadily since 1990, for instance, Spanish-language newspapers have seen circulation more than triple to 1.7 million papers a day. All three of these growing sectors share the same strength—the opportunity for audiences to select tailored content, and in the case of the Internet, to do so on demand.
- *Much of the new investment in journalism today—much of the information revolution generally—is in disseminating the news, not in collecting it.* Most sectors of the media are cutting back in the newsroom, both in terms of staff and the time they have to gather and report the news. While there are exceptions, in general journalists face real pressures trying to maintain quality.
- *In many parts of the news media, we are increasingly getting the raw elements of news as the end product.* This is particularly true in the newer, 24-hour media. In cable and online, there is a tendency toward a jumbled, chaotic, partial quality in some reports, without much synthesis or even the ordering of the information. There is also a great deal of effort, particularly on cable news, put into delivering essentially the same news repetitively without any meaningful updating.
- *Journalistic standards now vary even inside a single news organization.* Companies are trying to reassemble and deliver to advertisers a mass audience for news not in one place, but across different programs, products, and platforms. To do so, some are varying their news agenda, their rules on separating advertising from news, and even their ethical standards. What will air on an MSNBC talk show on cable might not meet the standards of NBC News on broadcast, and the way that advertising intermingles with news stories on many newspaper web sites would never be allowed in print. Even the way

Many traditional media are maintaining their profitability by focusing on costs, including cutting back on their newsrooms.

a TV network treats news on a prime time magazine versus a morning show or evening newscast can vary widely. This makes projecting a consistent sense of identity and brand more difficult. It also may reinforce the public perception evident in various polls that the news media lack professionalism and are motivated by financial and self-aggrandizing motives rather than the public interest.

- *Without investing in building new audiences, the long-term scenario for many traditional news outlets seems problematic.* Many traditional media are maintaining their profitability by focusing on costs, including cutting back on their newsrooms. Our study shows general increases in journalist workload, declines in numbers of reporters, shrinking space in newscasts to make more room for ads and promotions, and in various ways that are measurable, thinning product. This raises questions about the long term. How long can news organizations keep increasing what they charge advertisers to reach a smaller audience? If they maintain profits by cutting costs, social science research on media suggests they will accelerate their audience loss.
- *Convergence seems more inevitable and potentially less threatening to journalists than it may*

have seemed a few years ago. At least for now, online journalism appears to be leading more to convergence with older media rather than replacement of it. When you look closely at audience trends, one cannot escape the sense that we are heading toward a situation, especially at the national level, in which institutions that were once in different media, such as CBS and the Washington Post, will be direct competitors on a single primary field of battle—online. The idea that the medium is the message increasingly will be passé. This is an exciting possibility that offers the potential of new audiences, new ways of storytelling, more immediacy, and more citizen involvement.

- *The biggest question mark may not be technological but economic.* While journalistically online appears to represent opportunity for old media rather than simply cannibalization, the bigger issue may be financial. If online proves to be a less useful medium for subscription fees or advertising, will it provide as strong an economic foundation for newsgathering as TV and newspapers have? If not, the move to the web may lead to a general decline in the scope and quality of American journalism, not because the medium isn't suited for news, but because it isn't suited to the kind of profits that underwrite newsgathering.
- *Those who would manipulate the press and public appear to be gaining leverage over the journalists who cover them.* Several factors point in this direction. One is simple supply and demand. As more outlets compete for their information, it becomes a seller's market for information. Another is workload. The content analysis of the 24-hour-news outlets suggests their stories contain fewer sources. The

increased leverage enjoyed by news sources already encouraged a new kind of checkbook journalism in 2003, as seen in the controversies over TV networks trying to secure interviews with singer Michael Jackson and soldier Jessica Lynch.

Background on This Report

These are some of the conclusions from what we hope is an unprecedented, comprehensive new study of the state of American journalism.

For each of the media sectors, we examined six different areas—content, audience trends, economics, ownership, newsroom investment and public attitudes. We aggregated as much publicly available data as is possible in one place and for six of the sectors, the Project also conducted an original content analysis. (For local television news, we relied on five years of content analysis the Project had previously conducted. For radio, ethnic and alternative media, no special content analysis was conducted.)

This approach of trying to look for cross-media trends, we believe, differs from the conventional way in which American journalism is analyzed. It is designed to gather in one place data usually scattered across different venues from different sources. Our hope is that this will allow us and others to develop insights not usually possible and make comparisons that are usually difficult.

For this executive summary, we have distilled the findings into highlights. The goal is to provide a quick scan of key trends.

If people go online for the full report, they will find something much more substantial. The full study contains a complete introductory overview about the news media and detailed narratives on each major media sector. The complete

report runs more than 500 pages in print and includes extensive tabular appendices. There are more than 400 detailed, footnoted source citations to help guide users to original sources.

People can approach the material in that full report several ways. Users can go directly to the media about which they are most concerned—say local TV 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 where Americans are going for news. Or they can move across the overviews of each sector. They can flip back and forth between our narrative and the interactive chart 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.

We have tried to be as transparent as possible about sources and methods, and to make it clear when we are laying out data versus when we have moved into analysis of that data.

We have attempted, to the best of our ability and 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.

This annual report was designed with various audiences in mind—citizens, journalists, media executives, financial analysts, scholars, students and most important, citizens. We hope it proves useful now and throughout the year for anyone interested in American journalism.



Newspapers

The percentage of Americans reading newspapers has been shrinking for two generations. In the last decade the situation has worsened.

Now the industry faces an important question. Do newspaper executives believe that if they invest in creating new content and even new papers they can attract new readers? Or do they believe this is a mature and declining industry and that it would only make things worse financially by throwing away money?

Audience

- Newspaper circulation has declined 11% since 1990, about 1% a year. In 2003, slightly more than half of Americans (54%) read a newspaper each week (62% on Sundays), according to surveys from Scarborough Research. Overall, 55 million newspapers are sold each day, 59 million on Sunday.
- Readership is lowest among the country's two fastest-growing minority populations, Asians (46%) and Hispanics (35%). When it comes to age, 41% of people under 35 read a newspaper, 54% of people age 35 to 54, and 68% of people 55 and older.
- There are 1,457 daily newspapers in the United States, 154 fewer than in 1990.

Economics

- After a difficult 2001, finances improved in 2002, thanks to a decline in newsprint costs. Newspapers took in \$44 billion in ad revenue and were expected to match that in 2003, according to data from the Newspaper Association of America. The 13 publicly owned newspaper companies were on track in 2003 to earn an average pre-tax profit margin of 19%, according to analyst John Morton.

- Newspaper classified revenues dropped 18% in 2001 and 5% in 2002. To combat this, newspaper companies are looking to compete online.

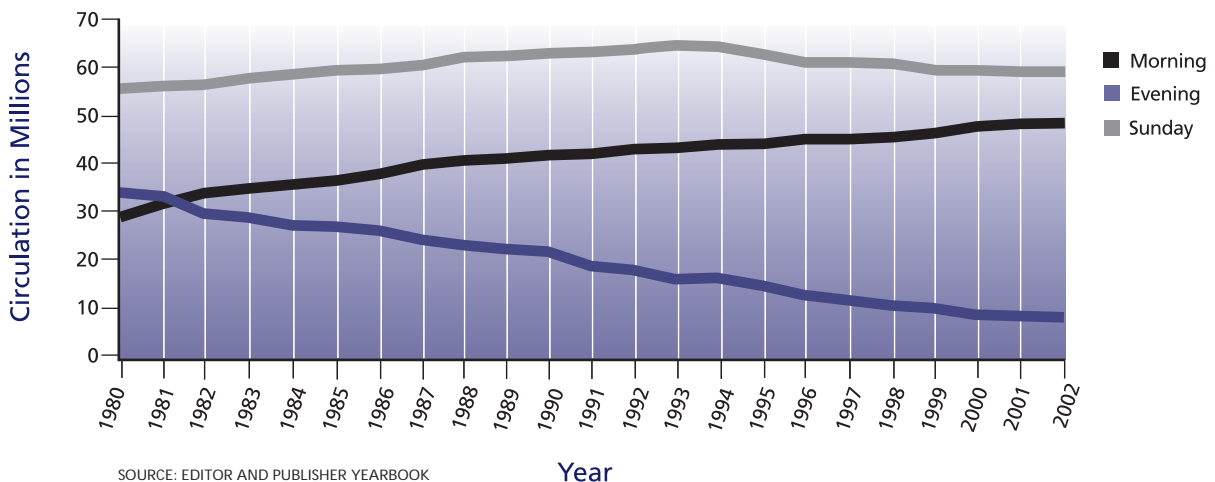
Ownership

- The age of the patriarchal local newspaper owner is over. Today 22 companies own 39% of the newspapers in the country and represent 70% of the daily circulation (73% on Sunday), according to data from Editor and Publisher.
- The top-10 companies alone own 20% of the papers and 51% of the circulation (56% on Sunday). Of these, four companies stand out for their size and profitability: Gannett, Tribune, New York Times and Knight Ridder, which, according to Morton, averaged a pre-tax profit margin in 2002 of 23%.

Content

- The mix of topics on newspaper front pages has changed less over the years than in other media, studies by the Project have found. In general, newspapers offer more institutional coverage, more news of domestic affairs and government. Newspapers also rely more on anonymous sources than other media. Roughly 30% of stories contained anonymous sourcing.

Daily and Sunday Newspaper Circulation, 1980 to 2002



- Newspapers tend to become more local and less international as the circulation category decreases. Wire copy becomes more prevalent. Anonymous sourcing decreases. Articles become shorter. The average length of section-front stories in large papers was 1,200 words, in mid-sized papers 800 words, and in small papers 600 words.

Newsroom Investment

- During hard times, many newspapers have made sharp cutbacks in newsroom staffing and expenditures. During good times, while there are modest expansions, many have not made up for what was lost, particularly in staffing. Today, the American Society of Newspaper Editors (ASNE) data indicate, newspapers have about 2,200 fewer employees than in 1990.
- To put this in perspective, between 1991 and 2000 (going out of one newspaper recession

and before entering another) newspaper ad revenues rose 60%, according to estimates by Merrill Lynch. Profits increased 207%. Yet newsroom jobs increased only 3%.

- Some argue these staffing cuts are not as severe as they appear. There are 154 fewer newspapers than in 1990 and the drop in employees (4%) is not as great as the drop in circulation (11%). Others argue the cuts are greater because composing room tasks now in the newsroom have increased the workload.

Public Attitudes

- Fifteen years of research reveals declining trust in newspapers. The percentage of people who believe what they read in their daily newspaper has declined from 80% in 1985 to 59% in 2003, according to surveys by the Pew Research Center for the People and the Press. That is a lower number than for other media.

Subjects of Front Page Newspaper Articles Over Time Large-Circulation Papers, Percent of All Stories*

	1977	1987	1997	2003
Government	33%	33%	30%	27%
Foreign Affairs	27	27	21	21
Military	1	3	*	3
Domestic Affairs	9	9	14	22
Entertainment/Celebrities	*	2	2	1
Lifestyle	2	2	4	6
Personal Health	1	0	1	1
Crime	9	6	10	4
Business/Commerce	8	6	5	5
Science	1	4	5	5
Religion	1	3	1	1
Accidents/Disasters	7	3	2	3
Other	2	3	4	1

*Totals may not equal 100 due to rounding.



Online

Although the economics are still evolving, the Internet has now become a major source of news in America.

In September 2003, over half of the people in the United States—150 million—went online. Various surveys indicate that half to two-thirds of those who go online use the Internet at least some of the time to get news. The Internet is also having success attracting young people to news, something older media were having trouble with even before the Internet existed.



Audience

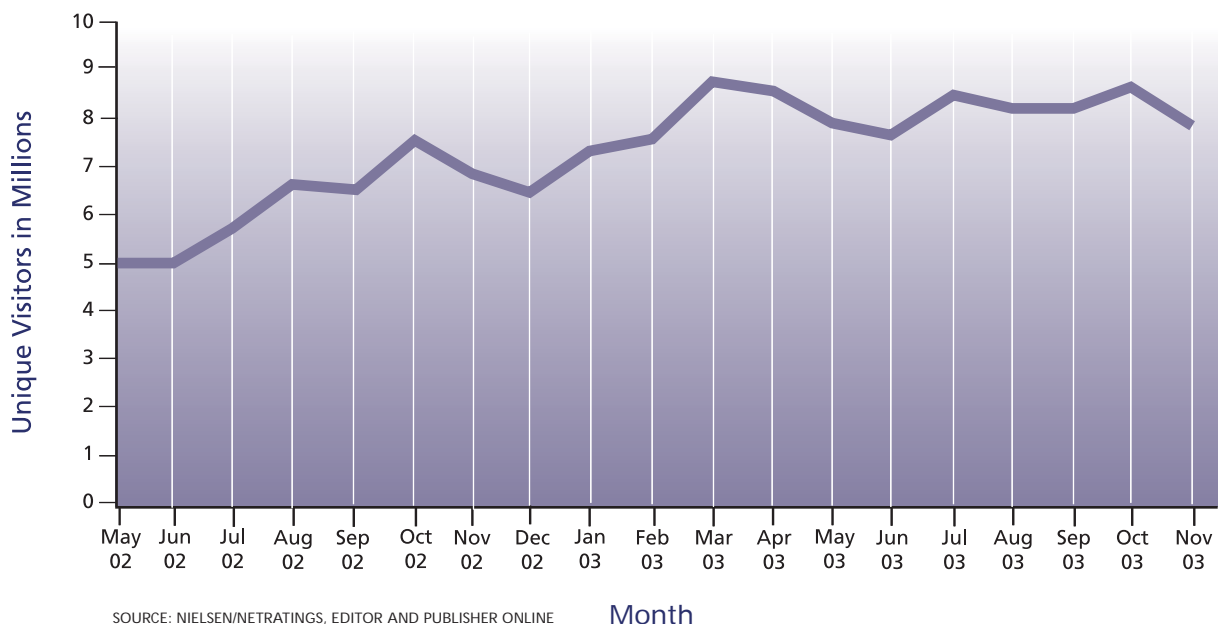
- The Web is the only news media, aside from the ethnic and alternative sectors, seeing audience grow, especially among young people. More than 55% of Internet users aged 18 to 34 obtain news online in a typical week, according to a UCLA Internet study.
- Traffic to the 26 most popular news sites in 2003 grew by 70% from May 2002 to October 2003, according to Nielsen/NetRatings.
- It is not so clear that the Internet is cannibalizing the old media. In 2002, 72% of Internet users said they spent the same amount of time reading newspapers as they did before. Television appears to be suffering more from the move online.
- During the war in Iraq, the web sites that people gravitated to most were those of established institutions—first TV news sites,

then newspaper sites, followed by the U.S. government site and then foreign news sites, according to surveys by the Pew Project on the Internet and American Life.

Economics

- While many Web sites are now at the point where they can claim profitability, it will still be years before the Internet becomes a major economic engine that is paying for the journalism it contains, rather than piggybacking on its media predecessors. According to Borrell Associates, online revenues of the 11 largest publicly-traded newspaper companies accounted for, on average, only 2% of the companies' total revenues.
- Still, the rate of revenue growth is impressive. Aside from Dow Jones Co., each of these 11 companies reported a double-digit increase in revenue for their online operations in 2002.

Average Monthly Unique Visitors for Top 20 News Web Sites



- The economic model for the web is still unclear. There are three basic models at the moment: subscription based (online.wsj.com), those that register users but offer the content free and rely solely on advertising (Washingtonpost.com), and those that use a mix of some paid content and some free (NYTimes.com)

Ownership

- A handful of media giants have come to dominate Internet journalism. Nearly 69% of the 20 most popular news web sites are owned by one of the 20 biggest media companies.
- At the same time, individual “blogs” have become a strong movement with the potential to operate much the same way as influential small-circulation journals of opinion do in print. For now, though, while the number of blogs is in the millions, an Internet software company, Perseus Development Corp., estimates that roughly two-thirds are abandoned and a quarter are only used once.

Content

- Internet journalism still largely consists of material from old media rather than original content. And much of the content does not

originate in-house. Among the eight sites whose content was studied for this report, only about a third (32%) of the lead stories were original reports.

- There is a mixed message when it comes to immediacy. Roughly half of the lead stories studied for this report were new. Yet, the amount of updating of continuing stories is more limited (14%).
- Web sites do a strong job of linking users to past stories about breaking news events. They do much less in the way of offering users multimedia opportunities such as links to video, still photos or chances for user comment or feedback.

Public Attitudes

- When the Pew Internet and American Life Project asked, during the war in Iraq, what people liked about getting their news online, two-thirds of survey respondents cited the ability to get news from a variety of sources, followed closely by the ability to get breaking news. More than 50% of respondents valued being able to get different points of view from those of traditional news and government sources.

Freshness of Lead Stories on Major Web Sites

Percent of All Stories*

	All Stories
Exact Repeat	21%
Repeat: No New Substance	14
Repeat: New Angle	2
Repeat: New Substance	14
New Story	49

*Total may not equal 100 due to rounding.



Network TV

The story of network television news in 2004 is one of an industry trying to find its place in the changed world of 21st-Century journalism. It was once the most trusted source of information in America and had a monopoly over pictures and TV reporting from around the country and the world. Neither of these things is true anymore.

Amid declining viewership and newsroom cutbacks, news represents only a tiny fraction of the revenues of the companies that now own the networks. What place, then, does covering the major events of the day or serving as an important public institution play in a network's identity? In the age of 100-plus channels, how important is producing news at all?

Content

- Having experimented with tabloid, sensational, lifestyle and celebrity coverage in the mid-1990s, nightly network newscasts have become more traditional—and serious—in their topic agenda since September 11th. The evening news, however, has not fully returned to the news agenda of 15 years ago, according to studies by the Project.
- Morning shows are more focused around “true crime,” lifestyle and entertainment. When government and foreign affairs are covered, it is often around a human-interest angle.
- With the exception of *60 Minutes* and *Nightline*, content studies show prime time magazines do not address the significant events of the day.

Audience

- The three nightly newscasts have seen Nielsen ratings decline by 34% in the last decade, and nearly 44% since 1980. Despite the drop, 29

million people still watch network evening news.

- The best evidence suggests it is availability, rather than the nature of the content, that is hurting evening news, but there seems little opportunity to change that.
- NBC is No.1 in nightly news, though it has earned that spot more because of the losses of its rivals than any gains of its own. Its ratings are 11% lower than in 1994, when it was in third place.
- Morning news is the one relative bright spot for the networks. Audiences held steady over most of the past 10 years and increased in 2003, to 14.6 million viewers.

Economics

- Network news remains a robust generator of revenues. Revenue from nightly news was up in 2003 (based on projections), the first up-tick since 1999, data from TNS Media Intelligence/CMR indicate. According to one network source, the three commercial nightly newscasts (NBC,

Topics in Network Nightly News, 2003

Percent of All Time*

	Network Nightly Comm.	PBS NewsHour	Network Morning (1st Hour)
Government	17%	33%	8%
Foreign Affairs	26	32	13
Military	3	1	5
Domestic Affairs	18	13	11
Crime	5	1	19
Business	9	5	1
Celebrity/Entertainment	2	*	14
Lifestyle	7	6	15
Science	2	3	1
Accidents/Disaster	9	2	9
Other	2	3	3

*Totals may not equal 100 due to rounding.

CBS, ABC) took in \$500 million in revenue in 2003.

- Financially, morning news now greatly outshines nightly news on the networks. Despite having half as many viewers as nightly newscasts, morning news shows took twice as much in revenues—more than a billion dollars in 2002—thanks to being on more than four times as many hours and having younger demographics.
- Between 1999 and 2002, prime time magazine show revenues fell 48%, largely because these programs were replaced with reality shows.
- According to some network sources, the cost of covering the war in Iraq greatly reduced network evening news profits in 2003.

Newsroom Investment

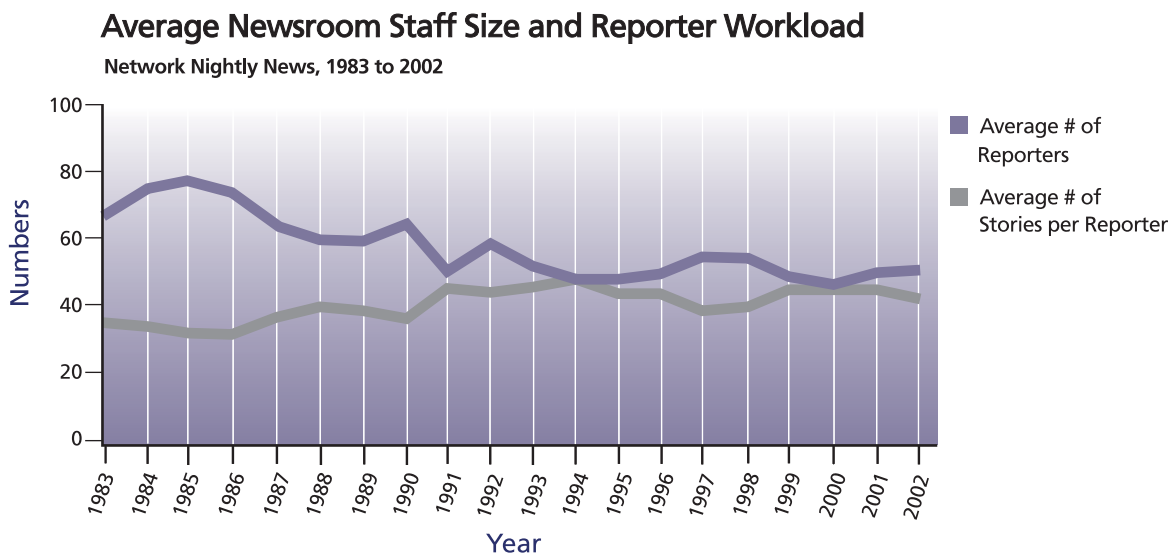
- With declining audiences, network newsrooms have seen significant cutbacks. On-air correspondents for evening newscasts are down by more than a third since 1985 to an average of 50 people in 2002, according to Professor Joe

Foote at Arizona State University. The number of overseas bureaus has been cut in half, according to our accounting.

- The staff reductions have increased workload 30%, Foote found.
- The newshole of nightly news has shrunk 11% since 1991 to make room for more ads, promotions and teases, according to researcher Andrew Tyndall.

Public Attitudes

- There is a contradiction in the public's views of network news. The number of people who gave each of the three networks high grades for believability dropped from roughly 74% in 1996 to 65% by 2002, according to Pew Research Center surveys.
- When it comes to overall quality, from 1995 to 2002, the number of people who gave network news A or B grades remained relatively steady (just over half). The number giving a D or F, however, increased (to 14%).



SOURCE: PROFESSOR JOE FOOTE, ARIZONA STATE UNIVERSITY



Cable TV

With its 24/7 format, cable television news enjoys an enormous competitive advantage over broadcast television. Surveys now show people generally cite cable news ahead of broadcast as their primary source for information about national and international events.

Yet all is not so rosy for cable news. A close look at the content, economics and even audience data contradicts many of the conventional ideas about the medium.



Content

- The traditional method of storytelling on television—the written, edited and taped package—is vanishing on cable. Only 11% of the time on cable (8% of stories) consisted of such story packages, according to a 2003 study by the Project. Fully 62% of the time, on the other hand, was “live” (interviews and live reporter standups). This emphasis on live deemphasizes the role of correspondents and means that cable is something closer to a first draft, newsgathering in the raw.
- Most of what is on cable is repetition—68% of segments were repetitious accounts of previously reported stories without any new information. Only 5% of revisited stories could be called “follow-ups” with new facts.
- Even with 24 hours to fill, cable covers a fairly narrow range of topics, mostly focused around government, the war in Iraq, “true crime,” lifestyle/celebrity and disasters.
- Much of the day, Fox, CNN, and MSNBC are more similar in content and story selection than they are different. The analysis did not try to assess ideology.

Audience

- Contrary to how the cable networks usually explain the numbers, the typical audience for cable has not grown since late 2001, stabilizing at about 2.4 million viewers in prime time and about 1.6 million during the day, according to Nielsen data.
- The cable networks have lost all of the audience they gained during the war in Iraq, the data show, in contrast to past major news events.
- Although Fox is generally described as the audience leader—Fox’s ratings are 60% higher than CNN’s—surveys consistently show more people cite CNN as their primary news source. The contradiction suggests a greater number of different people watch CNN overall, but they are spread out over time.
- At first glance, cable ratings are tiny compared with those of network news—2.4 million in prime time, compared with 29 million for the three commercial network evening newscasts in November 2003. Yet this may be misleading. In surveys, more people now report turning to cable news than network for most of their national and international news. Since ratings only measure people watching at a given

Story Types on Cable News*

	% of All Minutes
Edited Package	11%
Interviews	41
Standups	21
Anchor Reads	15
Live Events	8
Banter	3
External Source	1

* Total may not equal 100 due to rounding.

moment, knowing how many different viewers rely on cable overall is difficult.

Economics

- While some ambiguity hovers over which cable news audience has the most viewers, there is no question about the financial leader—it is CNN.
- Kagan World Media estimated that CNN earned \$351 million in 2003, while Fox earned \$96 million. MSNBC was projected to earn \$3.1 million.
- Fox is closing the gap in profits and revenues, but in the future it will have a harder time expanding at the same rate—nearly 50% a year. Much of that increase was due to signing on to new cable systems. Now there are few new systems left to join.

Newsroom Investment

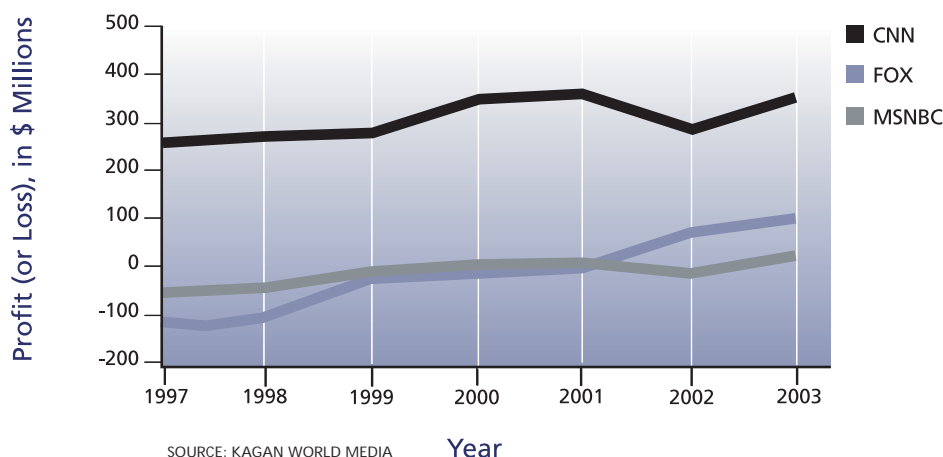
- Ideology aside, the real “Fox Effect” in cable is a new approach to newsgathering, one that relies more on anchors and talk shows and less on correspondents. Other cable networks have imitated that approach.

- CNN has nearly triple the newsgathering staff of Fox (about 4,000 people versus 1,500 for Fox and 500 for MSNBC, though MSNBC can also turn to NBC News staff). Fox, however, is building its staff up from a small base, reflecting its general growth in audience. CNN and MSNBC are not.

Public Attitudes

- People tend to think more highly of cable than other news media. When the Pew Research Center asked, in early 2002, which media had been “doing the best job of covering news lately,” cable was cited by 38%, more than twice that of network, nearly three times that of local TV and nearly four times that of newspapers. Cable is the only medium that saw this confidence index grow in recent years.
- CNN stands out in viewer estimation. For instance, roughly a third (32%) of those surveyed by Pew gave CNN the highest possible ranking for “believability” in May of 2002, 13 percentage points higher than Fox News and 11 points higher than MSNBC.

Cable News Profitability, 1997 to 2003





Local TV

In nearly every aspect of local television—from viewership to economics to ownership to structure—there are mixed signals of health and challenge. For now, it is still healthier than most news industries and is considered better off than network news. But signs of decline are worrisome to the industry. The major issue over the next few years will be how to maintain the traditionally high profit margins when viewership is on the decline. It is up to management now whether the industry heads up or down.

Audience

- Since 1997, Nielsen data indicate, the share of available viewers commanded by local early evening newscasts around the country has dropped 18%. The share commanded by late news, which is broadcast after prime time is over, has dropped by 16%. In other words, local TV is now losing audience as fast as network TV.
- This fact presents the medium with profound problems. To grow revenues, stations have limited but difficult options. They can try to make advertisers pay more for smaller audiences; they can increase the amount of commercial time versus news; they can add sponsorship opportunities inside the newscast such as sponsored segments, or sponsored logos on maps and graphics; they can add more news programs; they can cut costs.

Economics

- The local television business is remarkably profitable, earning more than double the return of newspapers. Survey data suggest profit margins of around 40% are a good estimate, and higher than that in bigger markets.
- The news division is responsible for a disproportionate amount of a station's income. According to surveys by the Radio Television News Directors Association (RTNDA), news

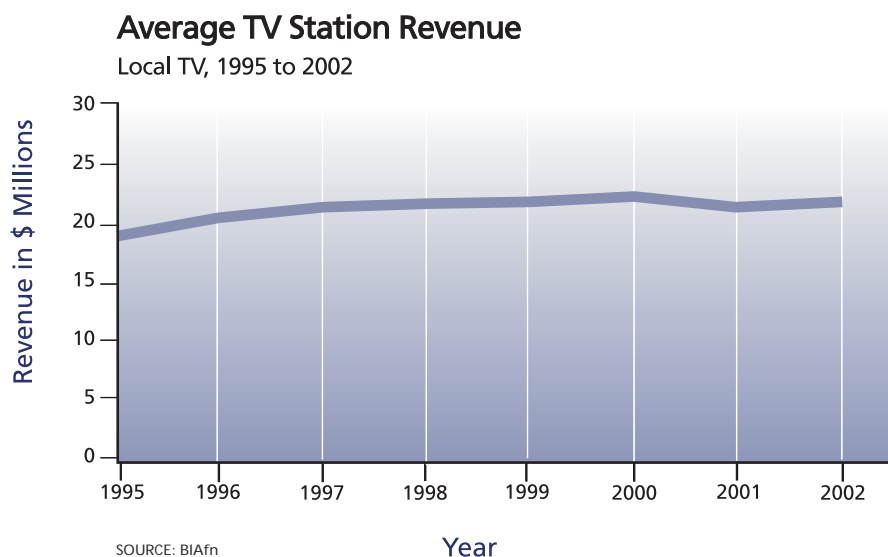
accounts for 16% of programming each day but roughly 40% of station revenue.

Newsroom Investment

- Many newsrooms are being asked to produce more hours of news without more people, and in some cases with fewer people. From 1998 to 2002 the average workload increased 20%, from 1.5 stories per day to 1.8, according to surveys by the Project. Fully 59% of news directors reported either budget cuts or staff cuts in 2002.
- Obligatory conversions to digital technology open up new possibilities, but the cost is burdensome and often comes at the expense of newsroom investments. According to RTNDA, most stations expect to spend at least \$1 million on this transition.

Content

- The content of local news is indeed local—three-quarters of all stories—but there are questions about how substantive that reporting is. Five years of content studies by the Project found that 4 in 10 stories were about fairly typical, everyday incidents. And 60% of stories that involved some controversy told mostly or only one side of the story.



- The idea that it has to “bleed to lead” is an oversimplification. Crime was the most popular topic—by two to one over any other—but it only accounted for 24% of the stories. Add in accidents, catastrophes, fires and bizarre incidents and it still adds up to only about a third of stories.
- However, when looking at lead stories, 61% were about crime or relatively routine fires and accidents.
- There is distinct evidence the product is thinning. Over a five-year span (1998 to 2002), the Project found a drop in such things as investigative reporting and a growing reliance on stories that did not have a correspondent covering them. The use of feed material from elsewhere, for instance, rose from 14% to 23% of stories studied.

Ownership

- In 1995, the top ten biggest television station owners had \$5.9 billion in revenue and owned 104 stations, according to BIAfn. By 2002, those companies had doubled that revenue total and owned nearly three times as many stations.

- By 2003, the four major networks owned 126 stations (12%), mostly in the biggest cities. Declining are local owners with one or maybe two stations.
- A 2003 ruling by the Federal Communications Commission that lifted many of the remaining caps on concentration of ownership is now being challenged in Congress.

Public Attitudes

- Over the years, surveys have shown consistently that people generally trust local television news more than any other type except cable. That trust, while still higher than for network news or local newspapers, is beginning to wane. In 1985, 34% said they could believe “all or most” of what they saw on local television news. In 2002, that had declined to 26%, according to Pew Research Center surveys.
- A large proportion of the public thinks local news broadcasts are “improperly influenced” by powerful outside forces such as advertisers (42%), station owners (40%) and big business (37%), according to surveys from scholar Robert Papper.

Public Ratings of Media Believability

	1985	1998	2000	2002
Local TV	34%	32%	30%	26%
Newspaper	28	27	23	20
ABC	32	28	26	22
CBS	33	26	26	23
NBC	32	28	26	23
CNN	20	37	33	32

SOURCE: PEW RESEARCH CENTER FOR THE PEOPLE AND THE PRESS



Magazines

When large social, economic or technological shifts begin to reshape the culture, magazines frequently are the first media to signal the change. The structure of the industry is one reason. Publishers can add and subtract titles aimed at specific audience segments or interests more quickly than in other media. Advertisers, in turn, can take their dollars to hot titles of the moment aimed at particular demographics.

What do current trends in the magazine industry tell us about the future of magazine journalism, particularly news?



Content

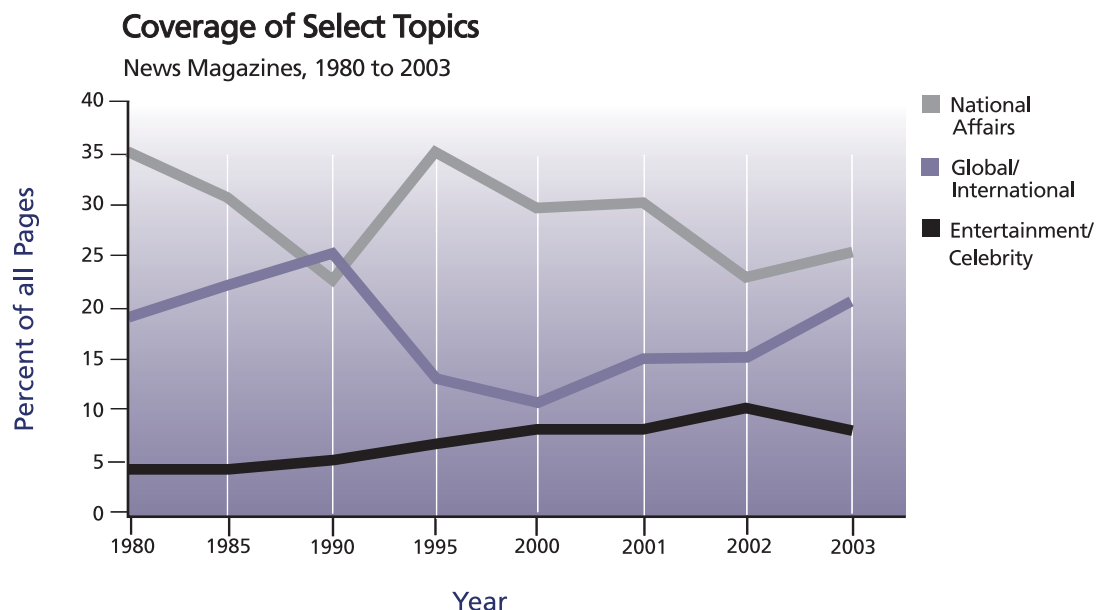
- The overall trend in magazines is toward specialization, magazines tightly focused on a set of interests. The big three traditional news magazines (Time, Newsweek, and U.S. News & World Report) have bucked that trend. They have become less news magazines and more general interest magazines.
- The number of editorial pages in the three news magazines has increased 9% since 1980. The content in those pages, meanwhile, has gotten softer and more oriented to lifestyle rather than traditional hard news, according to data from Hall's Reports. The number of pages devoted to national affairs has dropped 25% since 1980, while those devoted to entertainment and celebrity stories have more than doubled. Health news has more than quadrupled.

Audience

- Overall, readership of the three big news weeklies has declined. Time's circulation fell 13%

from 1988 to 2002. U.S. News' fell 13% as well through 2003 (an early audit schedule made 2003 data available). Newsweek has experienced a smaller decline of 3%, according to the Audit Bureau of Circulations.

- A small group of news magazines with a very different approach, such as The Atlantic and The Economist, are seeing gains. The Economist has seen its subscriber base more than double in the past 15 years. These magazines have not measurably lightened their content.
- Outside of news magazines, the number of magazine titles overall has grown dramatically. Most of that growth is occurring in niche service magazines such as those focused on child care, travel or hobbies such as bicycling.
- Among opinion journals such as The Nation and the National Journal, there seems to be an inverse relationship between readership and which party is in power. A Republican administration boosts a liberal magazine. Clinton was good for the conservative titles.



SOURCE: HALLS MEDIA RESEARCH, 2003 FIGURES THROUGH JULY

Economics

- While ad pages are growing in niche and entertainment genres, they have remained stagnant for news magazines. Since 1995, ad pages for entertainment and lifestyle magazines have grown by a third and ad dollars have grown more than 80%, according to data compiled by the Publishers Information Bureau. Ad pages for news magazines, declined 1%.
- There has been more separation economically among the three major news magazines. In the mid-1990s, the big three news magazines were bunched together in ad page sales. Time has now established itself as the clear leader, with Newsweek a strong second. U.S. News and World Report is third and losing ground.

Ownership

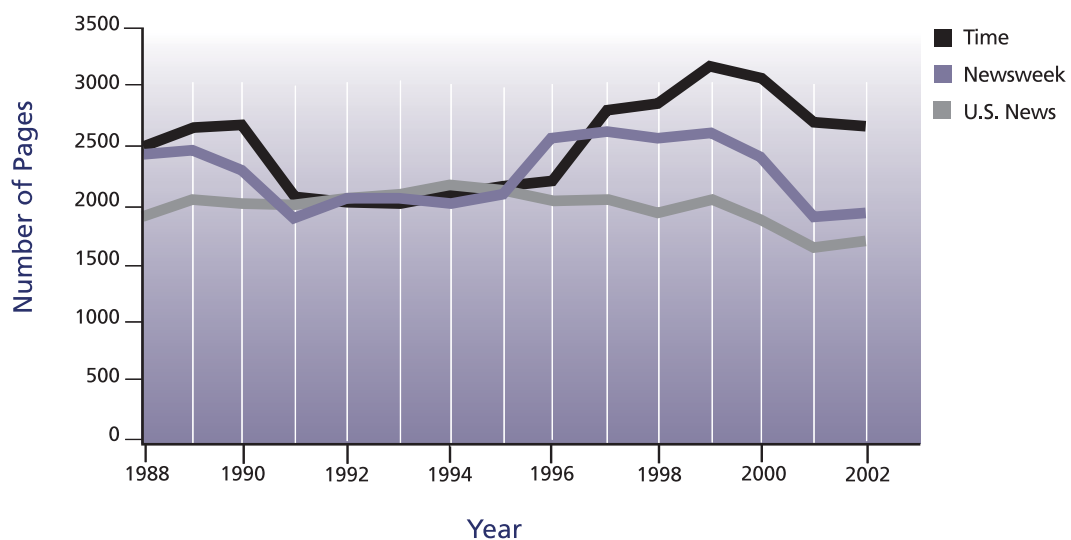
- Consolidation has occurred in the magazine industry, and a handful of companies now dominate the industry.
- But the top companies are not the same as those that dominate TV, cable, or newspapers.

Only four of the top ten magazine companies —Time Warner, Hearst, Advance and Primedia, are among the 25 largest media companies.

Newsroom Investment

- In the past 20 years, Time has reduced its staff by 15% and Newsweek by a full 50%, according to staff boxes published in the magazines. The biggest hits have come in the lower ranks of the editorial staff, while the number of contributors and contributing editors has increased.
- Research and fact checking have been targeted most. Time has eliminated the “reporter-researcher” job title from its staff box and added “reporters” and “writer-reporters.” Newsweek has done the same. In 1983, it listed 76 “editorial assistants,” its equivalent of reporter-researcher. By 2003 there were 18.
- Bureau staffing, domestic and international, has seen even steeper cuts. The number of bureau staff at Time has fallen from 86 to 55 in the last 20 years. Newsweek’s has fallen from 85 to 47.

Ad Pages for the Big Three News Magazines



SOURCE: PUBLISHER'S INFORMATION BUREAU



Radio

Radio might be called journalism's forgotten but stable middle child. The medium that came after newspapers and before television remains one that virtually every American continues to use daily. While the medium is segmented into as many as 47 different formats, many radio stations include hourly news briefs in the course of the day, and the number of news stations that are mostly news and public affairs remains stable.

But there are also signs that cause concern, especially when it comes to content. The data available suggest a growing number of stations are not local at all.

Audience

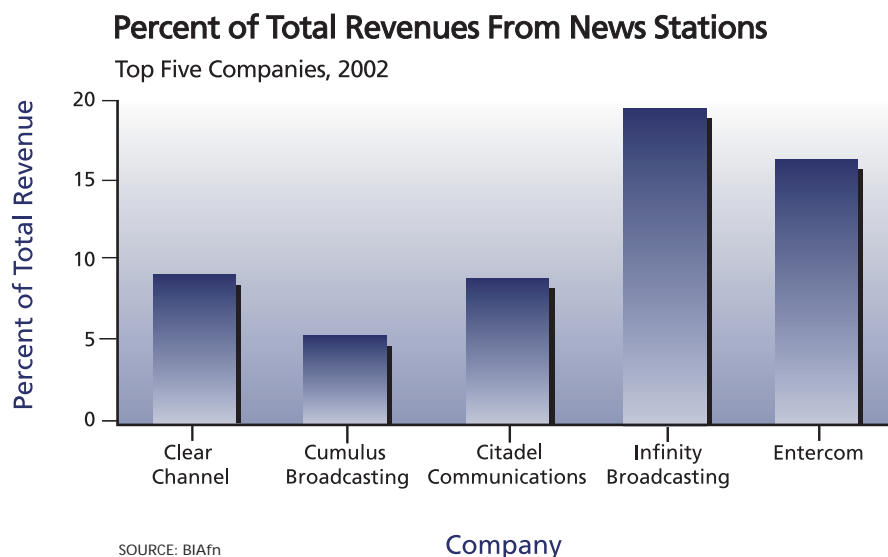
- More than 90% of Americans listen to the radio, and nearly all of them get some news there, according to data from Arbitron. Moreover, unlike other media, that number isn't falling. The radio audience, and the radio news audience, appears stable.
- Radio now formally lists 47 different formats, from Adult Contemporary to Alternative to Farm/Agriculture. While the exact number is hard to pin down, the best accounting suggests the number of broadcast radio stations has doubled since 1970, and is around 13,500. Of these, 1,000 (8%) list their format as primarily news. Another 348 (3%) self report their format as primarily talk show.
- National Public Radio has seen its audience double in the last 10 years. The majority of its audience, according to NPR figures, falls between 25 and 54 years of age, has college degrees, and votes, and half have household incomes over \$75,000. This has created a situation in which NPR is a media resource used by a young, culturally elite group.
- There is little change to where and when people listen to the radio. The lone shift has been a steady climb in people listening in their cars. A key reason is people drive more, an average today of 55 minutes a day, according to data from the Department of Transportation's Bureau of Transportation Statistics.

Economics

- News remains a major component of the radio business. For the biggest radio companies for which data is available from BIAfn, news accounts for an average of 11% of total revenues—as much as 18% for one company, as little as 4% for another. This does not include stations who list their format as primarily talk.
- Revenue from stations who cite news as their primary format (not including those who are primarily talk) amounts to some \$1.37 billion annually.
- The total revenue from radio in the United States in all formats was some 12.7 billion in 2002, the last year for which data were available.
- At NPR, radio news' big winner in recent years, the economics are different. It is a non-commercial format. Instead, 46% of the revenue comes from member stations, which includes member contributions and public funding. The remaining 54% of funding comes from corporate underwriting and grants from foundations such as the Pew Charitable Trusts or the MacArthur Foundation.

Ownership

- In radio, the level of consolidation exceeds that of most other media, largely because of one company. In 1999, BIAfn figures indicate, the three largest radio companies together owned



fewer than 1,000 stations. Today they own more than 1,600. A single company, Clear Channel, owns 1,207 of them.

- The top 20 owners combined operate more than 20% of all the radio stations in the country. Clear Channel alone operates stations in 191 of the 289 Arbitron-rated markets. To get a sense of Clear Channel's dominance, the second-largest company, Cumulus, operates in 55 markets.
- According to calculations from the Future of Music Coalition, a group critical of consolidation, 103 million Americans, or one-third of the U.S. population, are regular listeners to Clear Channel stations. The next closest is Infinity (Viacom), which has 59 million listeners (15% of the U.S. population). From there, the percentages drop to below 4% for the next-biggest company.

Newsroom Investment

- The ranks of local radio newsrooms are thinning. From 1994 through 2001, the number of full-time radio newsroom employees declined

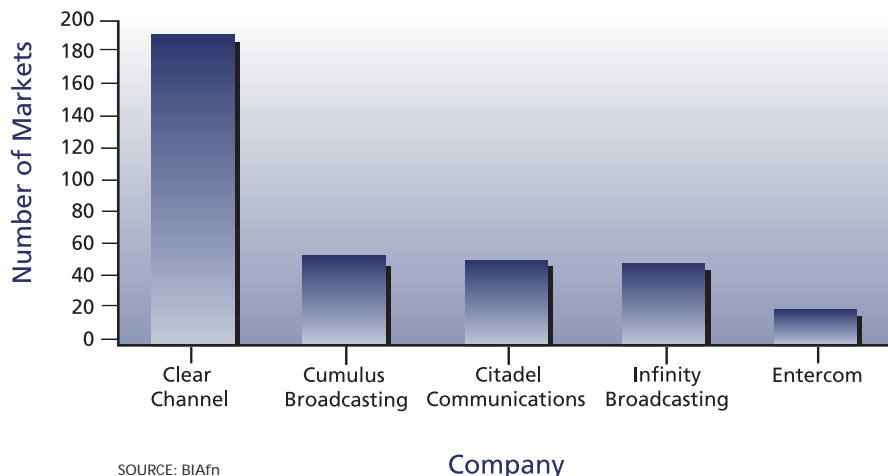
44%, and part-time 71%, according to survey data compiled by Ball State University Professor Robert Papper.

- In 2003, Papper found a trend toward newsroom consolidation. More than 4 in 10 news departments do news for one or more stations outside their market. And more than 75% of news directors now have responsibilities other than news.
- The money isn't good either. While salaries are rising, the median salary for a news director in 2003 was \$31,000 a year, for an anchor \$29,500 and for a reporter \$23,000.

Public Attitudes

- Although many people listen to radio for other things, they tend not to turn the channel when news comes on. (According to one survey, 98% of listeners say they keep listening when the news comes on and do not switch to a new station.) Thus, radio remains a place where Americans still get incidental news, or learn about things they didn't know they would care about.

Number of Markets Occupied by Top Five Companies





Ethnic/ Alternative

Of all the sectors of the news media, the ethnic and alternative media in America are still in many ways the most fluid. Even defining terms is complex. There are not one or two ethnic media, but dozens. The ethnic media are also often described in combination with the alternative media, but in fact they are distinct from each other.

Yet both sectors, the ethnic press and to a lesser degree the alternative press, appear to be among the few growth sectors in journalism.



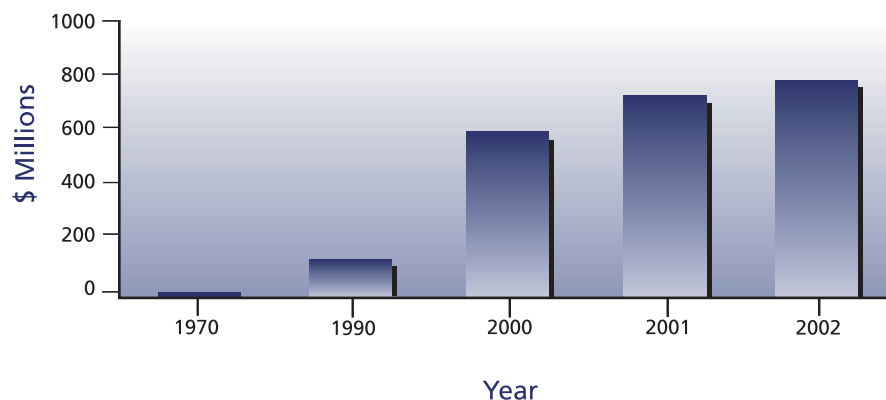
Ethnic Population Trends

- Between 1990 and 2000, the number of people not speaking English at home grew from 31.8 million to 47 million—an increase of 48%, according to U.S. Census data. Spanish speakers led the growth, going from 17.3 million in 1990 to 28.1 million in 2000—up 62%. Chinese speakers were second, up from 1.3 million in 1990 to 2 million in 2000, an increase of 54%.
- Unlike European immigration a century ago, many of these new Americans do not want to cut their cultural and national ties with the past, and thus seem more inclined to continue to use ethnic media. For instance, more than half of those Spanish speakers reported that they could speak English “very well,” but they choose not to speak it at home.
- Although these populations increasingly rely on ethnic media, it is not that they trust it more. Hispanics, Asians, and people of Middle Eastern descent say, rather, that they tend to trust English-language media more than their ethnic press, according to a poll from New California Media.

Spanish-language Media

- The growth in ethnic media is impressive. Since 1990, while English-language newspapers have lost circulation by 11%, the circulation of Spanish-language dailies in the United States has more than tripled from 440,000 copies sold each day to 1.7 million, according to the National Association of Hispanic Publishers.
- With more readers has come more advertising. Ad revenues of Spanish-language newspapers have grown more than sevenfold since 1990, from \$111 million to \$786 million, according to figures from the Latino Print Network.
- The number of Spanish-language dailies has also grown since 1990, by more than double (from 14 to 35). Consider, too, that during the same period the number of English-language dailies has dropped by more than 10%.
- Among Hispanics, 41% say they mostly read Spanish-language papers, compared with 30% for Asians and 15% of Middle Easterners who read mostly in their native languages.
- Spanish-language TV has seen serious consolidation over the past decade to the point where two players dominate the market.

Spanish-language Newspaper Ad Revenues



SOURCE: NATIONAL ASSOCIATION OF HISPANIC PUBLISHERS

Other Ethnic News Media

- The Black or African American press has played an integral role in America for more than a century, and although African Americans are now second only to Whites in the percentage who read the mainstream press, there are still more than 200 periodicals in the United States aimed at African Americans, according to the National Newspaper Publishers Association.
- The Asian media seems less likely to assume the influence of Spanish-language media because of the number of languages and ethnicities they encompass. This will discourage consolidation in ownership or ad sales.
- In addition to the explosive growth in Spanish-language media, a study of ethnic newspaper circulation in New York shows that most nationalities or ethnic groups for which there are data have seen growth, particularly Chinese, Irish, Japanese, Korean, Caribbean, and Arab.

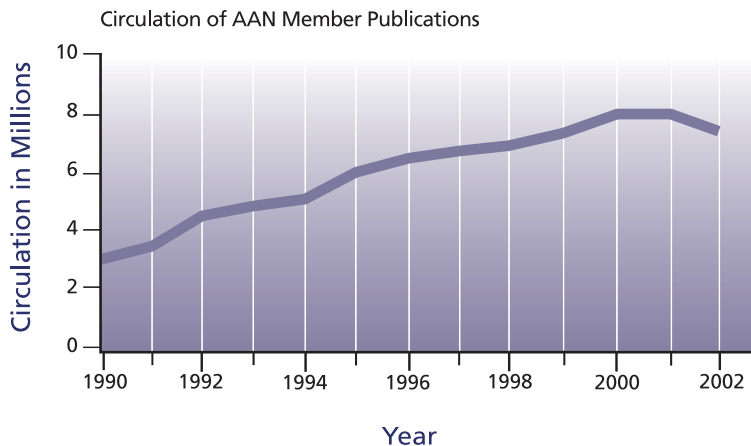
Alternative Press

- The Alternative press is also growing impressively, though perhaps not as much as the ethnic. The circulation and revenues of alternative

weeklies skyrocketed in the 1990s. Circulation more than doubled, rising from 3 million in 1990 to 7.5 million in 2002, according to data from the Association of Alternative Newsweeklies. Revenues rose from 1992 to 2000, took a dip in 2001 and were on the way back up in 2002, the Association reports.

- The number of newsweeklies also appears to be growing. The membership of the Association of Alternative Newsweeklies has nearly doubled since 1990, to 123 in 2002.
- While often thought of as papers for the young, these outlets usually have readership with median ages in the 30s and sometimes 40s, with fairly high incomes and relatively high education levels.
- These weeklies are increasingly owned by one of a few national chains that collect alternative weeklies. These are not, however, the same vast national chains that own dailies.
- Some scholars now talk instead about a “dissident press” in addition, to denote other publications and media, which are distinct from these more established and commercially oriented alternative papers.

Growth of Alternative Newsweeklies



SOURCE: ASSOCIATION OF ALTERNATIVE NEWS WEEKLIES



★ Cable TV ★ Local TV ★ Radio ★ Ethnic/Alternative ★



★ Newspapers ★ Online ★ Network TV ★ Magazines ★

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About The Story – Intro

About the Study

The State of the News Media report was written by the Project for Excellence in Journalism, with the aid of many collaborators. Funding was provided by the Pew Charitable Trusts.

[Click here](#) for information about printing pages from the report.

Methodology

Details on how we put together study together, including background on the content analysis sections.

Authors and Collaborators

A list of people who worked on the report.

Source Bibliography

An alphabetical listing of all the sources referenced in the report, including Web addresses.

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Methodology

Methodology

The data for this study were collected in two parts. Much of the study is based on research conducted originally by other people or organizations. Other research, particularly in the content analysis, is original work conducted specifically for this report.

For the data that was aggregated from other researchers, the Project took several steps. First, we tried to determine what data had been collected and by whom for the eight media sectors studied. We organized the data into the six primary areas of interest we wanted to examine: content, audience, economics, ownership, newsroom investment and public attitudes. For all data ultimately used, the Project sought and gained permission for its use. Next, the Project studied the data closely to determine where data reinforced each other and where there were apparent contradictions or gaps. In doing so, the Project endeavored to determine the value and validity of each data set. This in many cases involved going back to the sources who collected the research in the first place. Where data conflicted, we have included all relevant sources and tried to explain their differences, either in footnotes or in the narratives. For instance, the differences in online news usage are likely explained by how survey questions were phrased. For example, there are substantial gaps

depending on whether a survey asks whether one ever goes online for news, has done so in the last month or in the last week.

In analyzing the data for each media sector, we sought insight from **experts** by having at least three outside readers for each sector chapter. These readers raised questions, offered arguments and questioned data where they saw fit. In a few cases, we sought the advice of our statistical research team at the University of Missouri School of Journalism.

All sources are cited in footnotes or within the narrative, and listed alphabetically in a **source bibliography**. The data used in the report are also available in more complete tabular form to any users online, where they can view the raw data, sort it on their own and **make their own charts and graphs**. Our goal was not only to organize the available material into a clear narrative, but to also collect all the public data on journalism in one usable place. In many cases, this involved the Project having to purchase the use of the data.

For the original content analysis research conducted by the Project, the methodology follows.

Content Analysis Methodology

Sampling and Inclusion

There are two distinct categories of media that were studied as part of the Project's 2004 Annual Report on the State of the News Media.

The first, **Text-Based Media**, included Newspapers, News Magazines, and Internet News Sites. Princeton Survey Research Associates International conducted coding for these media.

The second, **Electronic Media**, included both Broadcast Network and Cable Network News. ADT Research, publisher of the Tyndall Report, conducted coding for these media.

Each subcategory of media was subject to a specific methodological approach re: sampling and selection.

Text-Based Media

Newspapers

Newspaper Selection

Individual newspapers were selected to present a meaningful assessment of content widely available to the public. Selections were made on both a geographic and a demographic basis, as well as diversity of ownership.

First, Newspapers were divided into four quartiles based on daily circulation size: More than 750,000; 300,001 to 750,000; 100,001 to 300,000, and 100,000 and under.

For newspapers over 750,000, we selected four papers: USA Today, The Los Angeles Times, The New York Times and The Washington Post. (The Wall Street Journal, which also falls in this circulation category, was excluded as a specialty publication.)

Four newspapers were chosen in each of the remaining three categories. To ensure geographical diversity, each of the four newspapers within a circulation category was selected from a different geographic region of the United States. Regions were defined according to the parameters established by the U.S. Census Bureau. 1

The newspapers in circulation groups 2, 3 and 4 were selected through the following process: First, using the Editor and Publisher Yearbook, a list of every daily newspaper in the United States was created. Each newspaper was assigned a random number. After resorting the list by the random number, newspapers were chosen by going down the list until all slots were filled. To be eligible for selection, a newspaper (a) must have a Sunday section, (b) must have its stories indexed in a news database in order to be available to coders and (c) must not be a tabloid. Newspapers not meeting these criteria were skipped over. In addition, an effort was made to ensure a range of owners was included. Those selected were:

Circulation Group 1

The Los Angeles Times
The New York Times
USA Today
The Washington Post

Circulation Group 2

The Arizona Republic (Phoenix)
The Boston Globe
The Detroit Free Press 2
The St. Petersburg Times

Circulation Group 3

The Hartford Courant
The Kansas City Star
The Knoxville (Tenn.) News Sentinel
The Las Vegas Review-Journal

Circulation Group 4

The Albany (N.Y.) Times Union
The Corpus Christi (Texas) Caller-Times
The Modesto (Calif.) Bee
The Rockford (Ill.) Register

Newspaper Study – Operative Dates 2003

Random sampling was used to select a sample of individual days for the study. By choosing individual days rather than actual weeks, we hoped to provide a broader look at news coverage that more accurately represents the entire year. In order to account for variations related to the different days of the week, the 28 days that were sampled included 4 of each day of the week. Dates were chosen from January 1 to October 7, a span of 280 days. October 7 was the last eligible day in order to allow time for coding.

Using these procedures, the following dates were generated and make up the 2003 sample:

January-8, 16
February-10, 16, 19, 21, 25
March-12, 30
April-15, 19 25
May-5, 6, 17, 29, 30
June-7, 16, 18
July-8, 20, 24
August-9, 31
September-4, 26
October-6

Story Procurement, Selection, and Inclusion

Articles were obtained via a combination electronic databases (Dialog, Factiva, Nexis), supplemented by hard copies of daily publications. 3

All articles with distinct bylines that appeared on the selected newspaper's front page (Page A1), on the first page of the Local/Metro Section, or on the first page of the "soft news" section, (i.e., Living, Food, Style, Entertainment, Weekend, etc.) were selected for analysis. 4

News Magazines

This year the study sought to examine content of general interest news magazines. The news magazine sample comprised the three largest weekly general interest news magazines: Time, Newsweek, and U.S. News and World Report. As of June 30, 2003, all three magazines had circulations above two million. 5

News Magazine Study – Operative Dates 2003 6

In order to ensure a sample that was spread throughout the year, the first 40 weeks of 2003 (January 1 to October 7) were divided into 4 groups of 10 weeks. One week was chosen at random from each group, which resulted in a sample of 4 weeks.

Using these procedures, the following dates were generated and make up the 2003 sample:

February 17
April 7
June 16
October 6

In addition, the study took a census of all 2003 covers of the three magazines in the sample. Covers of Time were obtained its Web site, <http://www.time.com/time/magazine/coversearch/>. Covers for Newsweek were obtained through Newscom.com, <http://prn.newscom.com>. Covers for U.S News & World Report were obtained through its Web site, <http://www.usnews.com/usnews/issue/archive.htm>.

Story Procurement, Selection, and Inclusion

For each news magazine, all stories with distinct bylines appearing in issues delivered to general mail subscribers in the Washington, D.C., area were included. Stories were procured via a combination of the Nexis database and hard copies of each publication.

Internet News Sites

In order to select the Internet news sites to be coded, the Nielsen//NetRatings top 20 news sites list was consulted to determine the most prominent news sites. The list contained four basic types of sites: news aggregators, 7 newspaper sites, network news sites and cable news sites. Two sites were chosen for each of these categories. For aggregators, AOL and Yahoo were selected as they are the only two aggregators in top 20 list. For network news sites, two sites were randomly chosen from among ABC, CBS, and MSNBC. For cable sites, two were randomly chosen from among CNN, Fox News, and MSNBC. MSNBC appeared in both lists because it is the news site for both NBC News and the MSNBC cable channel. For newspapers, the first site was chosen randomly from the four newspapers in circulation group 1 and the second site was chosen randomly from the 12 newspapers in groups 2 through 4.

Using Via this sample selection, the following sites were included in the 2003 study:

AOL (news section front page)
CBS News (www.cbsnews.com)
CNN (www.cnn.com)
Fox News (www.foxnews.com)
The Las Vegas Review-Journal Online (www.reviewjournal.com)
MSNBC (www.msnbc.com)
The New York Times Online (www.nytimes.com)
Yahoo! (news.yahoo.com)

Internet News Sites – Operative Dates 2003

The eligible dates for Web site coding ranged from July 14 to October 7, a period of 86 days. We were unable to acquire past Web pages, and therefore selected July 14 as the earliest available date to capture Web pages. October 7 was the latest date to collect pages to allow time for coding. Labor Day was excluded from the sample. Five days were selected at random, one of each weekday in order to account for variations due to the day of the week.

With these procedures, the following dates were generated and make up the 2003 Internet News Site sample.

July 14
August 5
August 15
September 10
September 25

Story Procurement, Selection and Inclusion

Each site was visited four times on each day – 9 a.m., 1 p.m., 5 p.m. and 9 p.m., all Eastern time, to download stories. The order in which the sites were visited was rotated for each capture time. Each download took about 20 minutes to complete.

Each time, the following method was used to determine which stories to capture. From the news home page of each of the sites, we captured two levels of stories. First, all stories at the top of the page explicitly relating to a graphic picture – event or person – were captured as featured stories. Multiple stories explicitly relating to the same graphic were also captured as features. Pages with more than one graphic have more than one featured story.

After the featured stories, we included the next three most prominent stories without graphics starting from the top and moving down. These stories were recorded as nonfeatured.

The following rules were put into place in selecting stories:

- For the sample, omitted from study were video, audio, charts, maps, background/archival information, news tickers, chat and polls.
- Any headline link that linked to an outside Web site was also omitted. (However, stories attributed to other outlets but present on the site being studied were counted.)
- Links to secondary stories about the same topic were counted as unique, non-feature stories.
- A graphic attached to a nonstory item (i.e., video, audio, charts, maps, background/archival information, “complete coverage,” chat and polls) was not counted as a story.
- If there were no stories associated with a graphic, then only the top three stories were coded and none were considered featured.
- If there was no graphic present, then no story was considered as featured, and the top three stories were counted as nonfeatured.
- When news headlines with the same font and type size appeared in side-by-side columns, stories were prioritized in a left-to-right, line-by-line zigzag pattern.

Text-Based Media Coding Procedures

General practice called for a coder to work through no more than seven days/issues from any news outlet during a coding session. After completing up to seven days/issues from one publication, coders switched to another Text-Based Media outlet, and continued to code up to seven days/issues.

All coding personnel rotated through all circulation groups, publications/sites, with the exception of the designated control publications. A control publication was chosen in each category of Text Media, including one newspaper in each circulation group. The designated control publication was initially handled by only one coder. That work was then oversampled during intercoder reliability testing.

Working with a standardized codebook and coding rules, coders generally worked through each story in its entirety, beginning with the inventory variables – publication date, story length, placement and origination. Next, they recorded the codes for that same story’s content variables – topics, protagonists, sourcing levels and recurring leads/big stories. (Note: in approximately 10 percent of all cases, the inventory variables were precoded by research assistants; the content variables were then completed by coding staff.)

Intercoder Reliability Testing For Text Media

Intercoder reliability measures the extent to which two coders, operating individually, reach the same coding decisions. The principal coding team for Text Media comprised four individuals, who were trained as a group, augmented by two precoders. One coder was designated as a general control coder and worked offsite for the duration of the project. In addition, one publication in each circulation group was designated as a control source.

At the completion of the general coding process, each coder, working alone and without access to the initial coding decisions, recoded publications originally completed by another coder. Inter-coding tests were performed on 5 percent of all cases for inventory variables, and agreement rates exceeded 98 percent for those variables. For the more difficult content variables, 20 percent of all publications/sites were recoded, and inter-coder agreement rates were as follows:

Big Story/Recurring Lead Agreement Rate = 90%

Protagonist Code = 86 % for designation of Individual vs. Institutional Protagonist

Topic = 87%

Level I Sourcing (Named and Identified Sources) = 93%;

Level II Sourcing (Name/Title Without Relationship Explained) = 91%

Level III Sourcing (Unnamed/Untitled With Relationship Explained) = 91%

Level IV Sourcing (Unnamed, No Explanation of Relationship) = 89%

No significant differences were found to exist on a recurring basis.

Broadcast Network Sample

The ability to make direct comparisons between Newspaper and Broadcast Network findings was a project design goal; thus, the weekday sample dates for those two news categories are identical. Because of pre-emptions and schedule changes, weekend network news broadcasts do not always appear in all markets; thus, Saturday and Sunday broadcast network news programs were excluded from the study. The following dates made up the Broadcast Network sample:

January-8, 16

February-10, 16, 19, 21, 25

March-12, 30

April-15, 19, 25

May-5, 6, 17, 29, 30

June-7, 16, 18

July-8, 20, 24

August-9, 31

September-4, 26

October-6

Broadcast Network Morning News Programs

(7 to 7:59 a.m. Eastern time)

ABC — “Good Morning America”

CBS — “The Early Show”

NBC — “Today”

Broadcast Network Evening News Programs

(Full program as broadcast in New York market)

ABC — “World News Tonight”

CBS — “Evening News”

NBC – “Nightly News”

PBS – “NewsHour”

Program Procurement and Story Selection/Inclusion

The morning and evening broadcasts of the three commercial networks were videotaped live in the New York City market. For the evening newscasts, this represents each day’s 6:30 p.m. East Coast feed. PBS supplied the Project with tapes of the “NewsHour.” All programming was available on videotape. No coding relied on secondary sources such as transcripts.

In the mornings, the following content was analyzed: stories read by the newscaster in the half-hourly newsblocks; feature and interview segments outside of the newsblocks; banter between members of the anchor team whose import was other than to tease upcoming segments in that day’s program or to promote the network’s programming at some later time. One-fifth, 20 percent, of the sample was coded for teasers and promos and was analyzed separately. Excluded from the analysis were the content of the weather, local news inserts, commercials, and other content-free editorial matter such as logos, studio shots, openings and closings.

In the evenings the same rules applied, but because the content of the newscasts is less variegated, concerns about newsblocks, banter, weather and local news inserts were not applicable.

Cable News Sample

Cable News Programming – Operative Dates 2003

Cable coding dates were generated by randomly selecting five days, one of each weekday, from the period of June 1 to October 7, a 129-day span. June 1 was chosen as the start date due to the availability of tapes. October 7 was the last eligible date in order to allow time for coding. Weekend days were excluded because of the variability of the weekend cable schedule.

Following these criteria, the following dates were generated and represent the Cable News sample for 2003:

June-16

July-15

August-21

September-19, 24

In order to assess the nature of the 24-hour news cycle as presented on cable news programming, CNN, Fox News and MSNBC were selected because they were the three most viewed cable news channels in 2003. To get a sense of the nature of cable news, programming for the five days was coded from 7 a.m. (the beginning of the morning shows) until 11 p.m. (the end of prime time), a 16-hour stretch of programming. This resulted in 240 hours of programming.

Following these criteria, the following cable networks and broadcasts made up the 2003 Cable Network sample.

CNN

“American Morning”

“CNN Live Today”

“Live From ... ”

“Inside Politics”

“Crossfire”

“Wolf Blitzer Reports”
“Lou Dobbs Tonight”
“Live From the Headlines With Anderson Cooper”
“Live From the Headlines With Paula Zahn”
“Larry King Live”
“NewsNight”
News Break-In/Unscheduled Breaking News
Other Show, Non-News Break-In

FOX

“Fox and Friends”
“Fox News Live”
“Day Side With Linda Vester”
“Studio B With Shepard Smith”
“Your World With Neil Cavuto”
“The Big Story With John Gibson”
“Special Report with Brit Hume”
“Fox Report with Shepard Smith”
“The O’Reilly Factor”
“Hannity and Colmes”
Program Procurement and Story Selection/Inclusion

Cable news videotape was collected by VMS, a commercial third-party monitoring service. Dubbed copies were sold to PEJ for use for “internal review, analysis or research only.” In a few instances, the Federal Document Clearing House Inc., a nongovernment source, supplied videotape unavailable through VMS. On a few occasions the videotapes ended five minutes short of an hour or started a few minutes late. Here, transcripts were consulted when needed. In total, fewer than three hours were missing out of the total 240-hour sample.

For each 16-hour day, editorial content was broken into individual story items (the television equivalent of newspaper articles). An item was defined by its format, produced as a single program element standing alone, and by its content, covering a discrete story. Each item was measured for its duration and coded for its journalistic content according to an array of variables including format, topic focus, levels of sourcing, any depiction of a central protagonist and coverage of the year’s overarching major news developments, in particular Iraq-related coverage. One-fifth, 20 percent, of the sample was coded for teasers and promos and analyzed separately.

Electronic Media Coding Procedures

A team of three coders analyzed television news. No one coder analyzed less than 20 percent of each the three types of programming (morning broadcast, evening broadcast and cable news). In order to keep track of repetition and freshness of stories during the course of the day, coders were assigned to an entire bloc of a cable network’s 16 hours of programming.

Since many of the findings are weighted by time spent on each item, it was essential to ensure accurate measurement of the duration of items. They were documented as rundowns with start times and end times, allowing for the duration to be computed as the difference between the two. All of the commercial network broadcasts were viewed twice to derive an

accurate inventory and item length statistics. To double check the accuracy of all long-format items, coders not only designated packages, interviews (external or in-house) and stand-ups, but also documented a story summary in the form of headlines/slugs and the identity of the reporter or interview subject involved. These headlines/slugs were also used to double check topic and big story coding.

Intercoder Reliability Testing For Electronic Media

An intercoder reliability check was performed to test the stability of the protagonist code and the source codes, both named and unnamed. A total of 35 hours of programming (777 different items) was recoded on these variables by a second coder, following the rundowns of start time and end times produced by the first coder's inventory. The code for a single protagonist being portrayed as the central character of a story had an 87 percent reliability level. The code for named and identified Sources (at least three per story versus two or fewer) had a 92 percent reliability level. The code for unnamed yet identified sources (at least three per story versus two or fewer) had a 94 percent reliability level.

Intercoder Reliability Testing Across Media

The project was designed so that for two specific media subcategories – Newspapers and Broadcast Network News – there could be direct comparisons made as to findings within each subcategory. Because there were two distinct coding operations that worked on Text-Based and Electronic Media, intercoder reliability testing was conducted between the two groups. PSRA coders, working independently and without access to original coding decisions, recoded 10 percent of the Broadcast Network News stories completed by each Tyndall Research staff member on topic and big story/recurring lead variables. For topic, agreement was reached in almost four of every five cases (79 percent); for big story/recurring lead, agreement was found in more than nine of every ten cases (94 percent). These are the only media and the only two variables where cross-media comparison can be and are made.

Data Analysis

For each media subcategory – Newspapers, News Magazines, Internet News Sites, Broadcast Network News and Cable Network News – separate datasets were created, and separate tabulations were constructed. There was no aggregation of the data, and in reporting results, all cites of “totals” refer only to the specific media subcategory at hand.

For much of this report, the individual news story is the unit of analysis. There are, however, selected variables where it was more informative to present analysis via a measurement of the time/words devoted to particular topics or recurring leads.

Within each universe (cable, newspapers, etc.), each case in the applicable SPSS dataset represents one story. Length is one of the measurements recorded for each case. (For network and cable television, this number represents seconds; for newspaper and news magazines, this number represents word count; for Internet, no volume analysis was applied.)

To create the volumetric tables, each case was selected and the number recorded in the length variable was designated as a weight. Then, that individual weight was applied to each individual case. The resulting weighted dataset was used in the production of volumetric tables for selected variables.

Statistical Analyses

For most comparisons of how content and structure of the news varies as a function of which medium is being examined, chi square analyses were used. Chi square is a nonparametric statistic that examines the relationship between nominal

variables, that is, variables that are identified by “name” and are not on a numeric scale (e.g., CNN, MSNBC and Fox News are nominal variables.) As explained by scholars Daniel Riffe, Stephen Lacy and Frederick Fico:

“The chi-square test of statistical significance is based on the assumption that the randomly sampled data was appropriately described, within sampling error, the population’s proportions of cases falling into the categorical values of the variables being tested.

“Chi-square starts with the assumption that there is in the population only random association between the two variables, and that any sample finding to the contrary is merely a sampling artifact. “ 8

This is called the “null hypothesis” and refers to the situation where there is no relationship between the two variables examined.

Riffe and Lacy continue, “For each cell in the table linking the two variables, chi-square calculates the theoretical expected proportions based in this null relationship. The empirically obtained data are then compared cell by cell with the expected null-relationship proportions. Specifically, the absolute value of the differences between the observed and expected values in each cell goes into the computation of the chi-square statistic. Therefore, the chi-square statistic is large when the differences between the empirical and theoretical cell frequencies is large, and small when the empirically obtained data more closely resemble the pattern of the null relationship.

“This chi-square static has known values that permit a researcher to reject the null hypothesis (no relationship between the variables) at the standard 95 percent and 99 percent levels of probability.” 9

Footnotes

1. U.S. Census Bureau, see http://www.census.gov/geo/www/us_regdiv.pdf for a map of the regions
2. The Detroit Free Press is bound to The Detroit News by a Joint Operating Agreement (JOA). Weekend editions reflect combined resources of both newspapers.
3. For the Nashville Tennessean, it was not possible to capture wire copy for the June – October dates.
4. All Page One articles from The Rockford (Ill.) Register were removed from the newspaper database before analysis. This was dictated by the front-page format of the Register, which differed from all other newspapers in this study. No complete articles are found on Page A1 of The Register; rather, abridged stories are presented, referring the reader to the full account, found on other pages throughout that day’s paper. Articles published on the lead pages of the Metro/Local and the Style/Living sections of The Register are included in this analysis. For the New York Times, the following daily selections were made re: applicable “soft news” section: Monday, Tuesday – Arts & Culture; Wednesday – Dining In; Thursday – House and Home; Friday – Escapes; Saturday – Arts & Ideas; Sunday – Styles.
5. For circulation figures, see Advertising Age, <http://www.adage.com/page.cms?pagelid=1020>.
6. These represent the publication date as reported on the cover of each news magazine; the newsstand appearance of these issues occurred about one week before the publication dates.
7. Aggregators do not create news articles. Instead, they post material from wires and other news outlets.

8. Riffe, D., Lacy, S., & Fico, F. (1998). Analyzing media messages using quantitative content analysis in research. Mahwah, New Jersey: Laurence Erlbaum, 1988, pp 167-168.

9. Ibid.

Authors and Collaborators

Authors and Collaborators

Many partners contributed to this report.

The content analysis was designed by the Project in collaboration with three of those partners, Lee Ann Brady of Princeton Survey Research Associates International, Andrew Tyndall of ADT Research, Publisher of the Tyndall Report, and Esther Thorson, associate dean of graduate studies and research at the University of Missouri School of Journalism. The coding of print media (online, newspapers and magazines) was executed by PSRAI under the supervision of Brady. The coding of electronic media (cable and network TV) was executed by ADT under the supervision of Tyndall. PSRAI then conducted additional testing of Tyndall's coding to assess whether comparisons of codes between houses and print and electronic media were statistically feasible. All conclusions and analysis were then sent to Thorson's team at Missouri for statistical testing. Video tapes for content analysis were either supplied by Andrew Tyndall or provided courtesy of Video Monitoring Services. We would especially like to thank Juan Hidalgo and Pro Sherman for their support.

Daniel Riffe, professor of journalism at Ohio University consulted on the design of the sample.

The chapters on cable and network television were co-authored by Tyndall. The chapter on newspapers was co-authored by Rick Edmonds of the Poynter Institute. The rest of the chapters were written by the Project.

Matt Carlson of the Project conducted the data aggregation for the newspaper and online chapters. Atiba Pertilla conducted the data aggregation for the cable and local television chapters. Tom Avila conducted the data aggregation for the radio chapter. Dante Chinni conducted the data aggregation for the ethnic, alternative and magazine chapters. Carlson, Chinni and Pertilla collaborated on data collection for the network chapter.

Carter Cosgrove designed the website. Matt Carlson implemented the design and construction of the site with the assistance of Dante Chinni and Atiba Pertilla. Tom Avila aided in the visual design of the website as well as of the Executive Summary. Wendy Kelly of WLK Design published the executive summary. Meredith Everson assisted in examining the website's functionality.

Amy Mitchell, PEJ's associate director and research director, supervised the project. Tom Rosenstiel is the Project's director.

Irv Molotsky, a former reporter and editor at the New York Times, was the copy editor. Carrie Brown and Brett Mueller also copy edited parts of the report.

More than twenty people served as readers of the chapters. Among them are: Laurien Alexandre, Charles Bierbauer, Merrill Brown, Wally Dean, Tom Dolan, Paul Friedman, Bob Giles, Jeff Gralnick, Lawrence Grossman, Samir Husni, Brooks Jackson, Don Kimelman, Katie King, Bill Kovach, Wayne Lynch, Victor Navasky, Bob Papper, Deborah Potter, Adam Powell, Henrik Reh binder, Lee Rainie, Al Stavitsky, Cyndi Stivers, and Roberto Suro.

Their thoughtful insights and suggestions greatly improved the chapters, but the readers are in no way responsible for the analysis or narrative accounts in this report. Moreover, the readers were not sources for information, unless explicitly cited in footnotes. In no case did a reader serve as an anonymous source for anything in the report.

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2004 Content Analysis Topline

PEJ 2004 State of the News Media Report Topline

	Outlet			Date	
	TOTAL N=108	Network N=57	Cable N=51	21&22 Mar N=72	24-Mar N=36
DATE					
March 21st	41.7%	42.1%	41.2%	62.5%	—
March 22nd	25.0	24.6	25.5	37.5	—
March 24th	33.3	33.3	33.3	—	100%
Total	100%	100%	100%	100%	100%
LIVE V TAPE					
Live report	49.1%	43.9%	54.9%	57.0%	33.3%
Live phone	12.0	10.5	13.7	8.3	13.9
Combo	11.1	10.5	11.8	23.6	16.7
All tape	27.8	35.1	19.6	11.1	36.1
Total	100%	100%	100%	100%	100%

ORIGIN					
Iraq	71.3%	77.2%	64.7%	59.7%	94.4%
Kuwait	21.3	19.3	23.5	30.6	2.8
Other ME	1.8	–	3.9	2.8	–
At Sea	5.6	3.5	7.9	6.9	2.8
Total	100%	100%	100%	100%	100%
TOPIC					
Mil. Action	27.8%	22.8%	33.3%	15.3%	52.8%
Same-day results	13.0	12.2	13.7	15.3	8.3
Pre-combat	31.5	38.6	23.5	43.0	8.3
Personnel/equip	15.7	15.8	15.7	16.7	13.9
Aftermath	6.5	5.3	7.9	6.9	5.6
Other	5.5	5.3	5.9	2.8	11.1
Total	100%	100%	100%	100%	100%
TOP SOURCE					
Mil. Commissioned	14.8%	14.0%	15.7%	15.3%	13.9%
Other Military	8.3	3.5	13.7	8.3	8.3
Reporter Only	76.9	82.5	70.6	76.4	77.8
Total	100%	100%	100%	100%	100%
CLOSEST VIDEO					
Weapons Fired	21.3%	19.3%	23.5%	13.9%	36.1%
human impact	–	–	–	–	–

non-human impact	10.2	10.5	9.8	8.3	13.9
no results	11.1	8.8	13.7	5.6	22.2
Front-line ready	11.1	12.3	9.8	9.7	13.9
Moving/Maneuvers	32.4	38.6	25.5	38.9	19.4
Non front line	10.2	10.5	9.8	12.5	5.6
Other	1.8	3.5	–	2.8	–
No Video aspect	23.2	15.8	31.4	22.2	25.0
Total	100%	100%	100%	100%	100%
REPORTING					
Fact	93.5%	91.2%	96.1%	93.1%	94.4%
Analysis	1.9	3.5	–	1.4	2.8
Opinion	0.9	1.8	–	–	2.8
Commentary	3.7	3.5	3.9	5.5	–
Total	100%	100%	100%	100%	100%
LENGTH					
Under 1 minute	8.3%	12.3%	3.9%	6.9%	11.1%
1 minute	35.2	42.1	27.5	30.6	44.5
2 minutes	29.7	33.3	25.5	27.8	33.3
3 minutes	11.1	7.0	15.7	15.3	2.8
4 minutes	8.3	3.5	13.7	8.3	8.3
5+ minutes	7.4	1.8	13.7	11.1	–
Total	100%	100%	100%	100%	100%

Newspapers

Sample Dates:

January – 8, 16

February – 10, 16, 19, 21, 25

March – 12, 30

April – 15, 19, 25

May – 5, 6, 17, 29, 30

June – 7, 16, 18

July – 8, 20, 24

August – 9, 31

September – 4, 26

October – 6

Circulation Groups:

Circ. Group 1 = Over 750,000

Circ. Group 2 = 300,001 – 750,000

Circ. Group 3 = 100,000 – 300,000

Circ. Group 4 = Less than 100,000

BY STORY

TOTAL N = 5,867 STORIES

	Total	All Newspaper Front Pages	All Sections Circ 1	All Sections Circ 2	All Sections Circ 3	All Sections Circ 4
	N=5,867	N=2,082	N=1,615	N=1,461	N=1,349	N=1,442
TIMEFRAME	%	%	%	%	%	%
Pre-Iraq Combat Operations (January 1 to February 15)	11	11	11	11	12	11
Lead-Up to Iraq Combat (February 16 to March 16)	18	18	19	17	18	19
Iraq Combat Operations (March 17 to May 1)	14	14	14	14	15	13
Post-Combat Operations (May 2 October 6)	57	57	57	58	55	57
PLACEMENT	%	%	%	%	%	%
Front Page	35	100	41	37	37	26
Style Front	25	0	28	24	22	27
Metro Front	39	0	31	39	41	47
STORY LENGTH	%	%	%	%	%	%
100 Word or Less	3	2	3	*	1	9
101-500 Words	19	8	6	18	22	34
501-1000 Words	43	37	28	50	52	44
Above 1000 Words	34	54	64	32	25	13

STORY ORIGINATION	%	%	%	%	%	%
Staff Reported	85	76	97	88	78	77
Wire	10	21	*	8	18	17
Combo Staff/Wire	2	2	*	2	2	2
No Source/Can't Tell	2	1	2	1	2	5
BIG STORY/RECURRING LEAD	%	%	%	%	%	%
All Big Stories	23	47	31	22	23	16
All Iraq-Related Big Stories	10	23	14	10	10	7
All Other Intl. Big Stories	2	6	3	2	3	2
All U.S. Based Big Stories	10	18	13	10	10	8
Not a Big Story	77	53	69	78	77	84
TOP SPECIFIC BIG STORIES						
Pre-War Activities	2	5	3	3	2	1
Combat Ops. (Not Jessica Lynch)	3	5	3	2	3	1
Post-War Military Activities	2	3	1	2	2	2
Struggle to Rebuild Iraq	2	5	3	2	1	1
States Face Budget Crises	2	3	2	2	3	2
PROTAGONIST	%	%	%	%	%	%
All Single Protagonist	32	28	31	36	33	29
All Institutional Protagonist	17	21	20	16	17	14
No Protagonist	51	51	49	48	50	56
STORY TOPIC	%	%	%	%	%	%
ALL GOVERNMENT	21	26	24	20	23	17
Exec. Branch/Admin	3	5	4	4	2	2
Nat'l/State/Local (Legislation or Institution)	8	8	8	7	9	7
Government Agencies	2	2	3	2	3	2
Law/Courts	5	7	5	5	6	4
Campaigns/Elections	3	5	5	3	3	2
DEFENSE	1	3	2	1	1	1
ALL DOMESTIC AFFAIRS	19	22	19	22	20	19
Disease/Public Health	2	2	1	2	2	1
Education	5	4	3	6	6	7
Environment	3	2	2	4	2	4
Health Care System	1	2	1	1	2	1
Transportation	2	1	2	2	2	2
Terrorist Acts	1	2	1	1	1	*
Terrorism – Prevention Efforts	1	2	2	1	2	1
Domestic Affairs Other	4	6	6	5	3	3
BUSINESS / COMMERCE	4	6	4	5	4	3

CRIME	7	7	5	7	7	6
ALL FOREIGN AFFAIRS	7	18	9	7	8	4
Foreign Affairs-Diplomacy	3	9	5	3	3	2
Foreign Affairs-Military Activities	4	10	4	4	5	3
ALL ACCIDENTS / DISASTERS	3	4	2	3	4	3
Accidents (no intent)	2	2	1	2	2	2
Unusual Weather	1	1	1	1	1	1
Catastrophes/Disasters (no intent)	1	1	*	*	1	*
SCIENCE/TECHNOLOGY	2	3	3	2	2	2
Science	1	1	1	*	1	*
Medical Research	1	1	1	1	1	1
Technology	*	1	1	*	*	1
CELEBRITY/ENTERTAINMENT	8	1	10	9	7	7
Entertainment/Celeb	8	1	10	8	7	6
Celeb. Crime/Scandal	*	*	*	*	0	*
LIFESTYLE	23	8	19	20	20	32
Human Interest/Popular Behavior	6	2	5	4	5	10
Pop Culture	3	1	3	4	2	3
Health Trends	1	1	1	1	1	2
Religion	2	1	1	2	1	2
Travel	1	0	1	*	*	1
Cooking/Food	2	*	1	1	2	2
Family/Parenting	2	*	1	2	1	3
Civilization/Culture/High Arts	4	1	5	3	3	5
Sports	2	2	1	2	1	2
Other	2	*	1	2	2	2
OTHER	4	2	3	4	4	7
Consumer News	1	*	*	2	1	3
News Media	1	*	1	1	1	*
Oddball News	1	*	*	1	*	3
Weather (non-disaster)	*	*	*	*	*	*
Other	1	1	*	1	1	1
STORY TOPIC BY REGION	%	%	%	%	%	%
All Local/Metro	66	44	43	71	74	81
All Regional	6	7	11	5	2	3
All National	16	20	26	14	13	10
All U.S.-Related International	9	23	13	8	9	5
All Non-U.S. Related International	3	7	7	2	1	1
SOURCING: NAME/TITLE WITH RELATIONSHIP	%	%	%	%	%	%
None	13	2	8	9	9	25

One to Three	36	27	25	37	43	37
Four or More	52	71	67	54	48	38
SOURCING: UNNAMED/UNTITLED						
WITH RELATIONSHIP EXPLAINED						
None	72	55	55	77	76	82
One to Three	22	32	34	18	18	16
Four or More	6	13	10	4	5	2
SOURCING: UNNAMED/NO EXPLANATION						
OF RELATIONSHIP						
None	98	96	97	99	98	97
One to Three	2	4	2	*	2	2
Four or More	*	*	*	0	*	*

BY VOLUME

TOTAL N =5,161,941 words

	Total	All Newspaper Front Pages	All Sections Circ 1	All Sections Circ 2	All Sections Circ 3	All Sections Circ 4
	N = 5,161,941	N = 2,312,239	N = 1,940,301	N = 1,291,507	N = 1,083,202	N = 846,931
STORY ORIGINATION						
Staff Reported	87	81	98	90	75	73
Wire	10	17	*	7	22	23
Combo Staff/Wire	2	2	*	2	2	2
No Source/Can't Tell	1	*	1	1	1	2
BIG STORY/RECURRING LEAD						
All Big Stories	28	49	34	23	28	21
All Iraq-Related Big Stories	13	24	16	11	13	8
All Other Intl. Big Stories	3	6	4	1	3	2
All U.S. Based Big Stories	12	19	14	11	12	10
Not a Big Story	72	51	66	77	72	79
STORY TOPIC						
ALL GOVERNMENT						
Exec. Branch/Admin	3	5	4	3	2	2
Nat'l/State/Local (Legislation or Institution)	8	7	8	7	9	8
Government Agencies	2	3	3	2	3	2
Law/Courts	5	7	5	6	6	5
Campaigns/Elections	4	5	6	3	3	3

DEFENSE	2	3	2	1	1	2
ALL DOMESTIC AFFAIRS	20	21	18	23	19	20
Disease/Public Health	2	2	1	2	2	2
Education	5	4	3	6	6	7
Environment	3	2	2	4	2	4
Health Care System	1	2	1	2	2	1
Transportation	2	1	1	2	1	2
Terrorist Acts	1	2	1	1	1	*
Terrorism – Prevention Efforts	2	2	2	1	2	1
Domestic Affairs Other	5	7	7	6	3	3
BUSINESS / COMMERCE	5	6	5	5	5	4
CRIME	6	8	5	8	6	6
ALL FOREIGN AFFAIRS	9	19	10	8	11	5
Foreign Affairs-Diplomacy	4	8	5	3	4	2
Foreign Affairs-Military Activities	5	11	5	5	7	3
ALL SPONTANEOUS EVENTS	3	3	2	2	4	3
Accidents (no intent)	1	2	1	2	1	2
Unusual Weather	1	1	1	1	1	1
Catastrophes/Disasters (no intent)	1	1	*	*	1	*
SCIENCE/TECHNOLOGY	2	3	3	2	2	2
Science	1	1	1	*	1	*
Medical Research	1	2	2	1	1	1
Technology	*	*	1	*	*	1
CELEBRITY/ENTERTAINMENT	7	1	8	8	6	4
Entertainment/Celeb	7	1	8	7	6	4
Celeb. Crime/Scandal	*	*	*	*	0	*
LIFESTYLE	21	8	19	20	20	28
Human Interest/Popular Behavior	5	2	4	4	5	8
Pop Culture	3	1	3	3	2	2
Health Trends	1	*	*	1	1	2
Religion	1	1	1	2	1	2
Travel	1	0	1	*	*	1
Cooking/Food	1	*	1	1	2	2
Family/Parenting	1	1	1	2	2	3
Civilization/Culture/High Arts	4	1	5	3	3	3
Sports	2	2	1	2	1	2
Other	1	*	1	2	2	2
OTHER	3	1	2	3	3	6
Consumer News	1	*	*	1	1	3
News Media	1	*	1	1	1	*
Oddball News	*	*	*	*	*	1

Weather (non-disaster)	*	*	*	*	*	*
Other	1	1	*	1	1	1
STORY TOPIC BY REGION	%	%	%	%	%	%
All Local/Metro	59	41	40	69	69	75
All Regional	7	8	13	5	3	5
All National	18	20	25	14	14	12
All U.S.-Related International	12	24	14	10	13	8
All Non-U.S. Related International	4	7	8	2	2	1
<i>*NOTE: Due to rounding, totals may not equal 100%</i>						

Online

<i>Sample Dates:</i>					
<i>July – 14</i>					
<i>August – 5, 15</i>					
<i>September – 10, 25</i>					
BY STORY					
TOTAL N = 709 STORIES					
	Total	9:00 AM	1:00 PM	5:00 PM	9:00 PM
	N=709	N=176	N=177	N=181	N=175
TIMEFRAME	%	%	%	%	%
Pre-Iraq Combat Operations (January 1 to February 15)	0	0	0	0	0
Lead-Up to Iraq Combat (February 16 to March 16)	0	0	0	0	0
Iraq Combat Operations (March 17 to May 1)	0	0	0	0	0
Post-Combat Operations (May 2 to October 6)	100	100	100	100	100
STORY LENGTH	%	%	%	%	%
100 Word or Less	0	0	0	0	0
101-500 Words	19	18	19	21	16
501-1000 Words	54	57	52	51	55
Above 1000 Words	27	24	28	27	29
STORY ORIGINATION	%	%	%	%	%
Staff Reported	32	29	32	33	35
Wire Service	42	47	41	40	41
Combo Staff/Wire	23	21	24	25	23
Other News Organization/Corporate Connection	*	0	0	1	1
Other News Organization/External Ownership	2	3	3	1	1

BIG STORY/RECURRING LEAD	%	%	%	%	%
All Big Stories	59	62	57	60	54
All Iraq-Related Big Stories	19	22	19	21	13
All Other Intl. Big Stories	10	12	14	9	6
All U.S. Based Big Stories	29	29	24	30	35
Not a Big Stories/Recurring Lead	41	38	43	40	46
PROTAGONIST	%	%	%	%	%
All Single Protagonist	31	30	31	32	30
All Institutional Protagonist	12	9	12	10	16
No Protagonist	58	61	58	58	54
STORY TOPIC	%	%	%	%	%
ALL GOVERNMENT	21	19	18	20	24
Exec. Branch/Admin	5	4	5	6	4
Nat'l/State/Local (Legislation or Institution)	5	3	6	4	5
Government Agencies	*	1	0	1	0
Law/Courts	5	3	2	3	11
Campaigns/Elections	6	9	5	6	5
DEFENSE	*	0	0	1	1
ALL DOMESTIC AFFAIRS	22	21	20	24	22
Disease/Public Health	1	0	1	1	1
Education	0	0	0	0	0
Environment	0	0	0	0	0
Health Care System	0	0	0	0	0
Transportation	1	2	1	1	1
Terrorist Acts	14	14	13	15	13
Terrorism – Prevention Efforts	6	6	5	6	7
Domestic Affairs Other	*	0	0	0	1
BUSINESS / COMMERCE	3	4	3	2	3
CRIME	3	3	6	3	3
ALL FOREIGN AFFAIRS	18	21	23	18	12
Foreign Affairs-Diplomacy	3	5	5	2	2
Foreign Affairs-Military Activities	15	16	18	15	10
ALL ACCIDENTS / DISASTERS	20	17	20	20	23
Accidents (no intent)	1	1	1	1	1
Unusual Weather	3	3	4	3	3
Catastrophes/Disasters (no intent)	16	13	15	17	19
SCIENCE/TECHNOLOGY	1	1	1	1	1
Science	*	1	0	0	0
Medical Research	0	0	0	0	0
Technology	1	1	1	1	1

CELEBRITY/ENTERTAINMENT	1	0	1	1	1
Entertainment/Celeb	1	0	1	1	1
Celeb. Crime/Scandal	0	0	0	0	0
LIFESTYLE	9	11	7	10	10
Human Interest/Popular Behavior	*	1	0	0	0
Pop Culture	*	0	0	1	0
Health Trends	0	0	0	0	0
Religion	3	3	2	4	5
Travel	1	1	1	1	1
Cooking/Food	1	1	1	1	1
Family/Parenting	1	1	1	1	1
Civilization/Culture/High Arts	0	0	0	0	0
Sports	3	4	4	2	2
Other	*	1	0	1	1
OTHER	2	3	2	1	1
Consumer News	*	1	1	0	0
News Media	1	2	1	1	1
Oddball News	*	1	0	0	1
Weather (non-disaster)	0	0	0	0	0
Other	0	0	0	0	0
STORY TOPIC BY REGION	%	%	%	%	%
All Local/Metro	11	11	11	10	11
All Regional	12	19	12	8	8
All National	39	26	36	44	51
All U.S.-Related International	26	28	27	28	20
All Non-U.S. Related International	13	16	15	10	9
SOURCING: NAME/TITLE WITH RELATIONSHIP	%	%	%	%	%
None	2	1	2	2	2
One to Three	40	37	39	41	41
Four or More	59	63	58	57	58
SOURCING: UNNAMED/UNTITLED WITH RELATIONSHIP EXPLAINED	%	%	%	%	%
None	61	55	54	65	69
One to Three	30	32	36	30	23
Four or More	9	14	10	5	9
SOURCING: UNNAMED/NO EXPLANATION OF RELATIONSHIP	%	%	%	%	%
None	100	99	100	100	100
One to Three	*	1	0	0	0

Four or More	0	0	0	0	0
STORY FRESHNESS	%	%	%	%	%
Package/Story/Interview – Exact Replay	21	0	26	28	31
Repeat Story – No Substantive, New Information	14	0	20	15	21
Repeat Story – New Angle Added, W/OUT New Information	2	0	4	2	2
Repeat storyline – WITH Substantive, New Information	14	0	16	19	21
New Story, First Appearance	49	100	34	36	25
VIDEO LINK	%	%	%	%	%
No Link	68	67	69	64	70
Link Presented	32	33	31	36	30
AUDIO LINK	%	%	%	%	%
No Link	98	97	98	98	98
Link Presented	2	3	2	2	2
PHOTO ESSAY/GALLERY LINK	%	%	%	%	%
No Link	64	61	63	65	67
Link Presented	36	39	37	35	33
GRAPHIC/MAP LINK	%	%	%	%	%
No Link	84	84	82	83	86
Link Presented	16	16	18	17	14
ARCHIVE/RELATED STORIES LINK	%	%	%	%	%
No Link	26	32	25	22	25
Link Presented	74	68	75	78	75
FEEDBACK/CHAT LINK	%	%	%	%	%
No Link	60	59	59	61	60
Link Presented	40	41	41	39	40
EXTERNAL SITE LINK	%	%	%	%	%
No Link	67	67	67	69	67
Link Presented	33	33	33	31	33

**NOTE: Due to rounding, totals may not equal 100%.*

Due to sample dates, Internet comparisons to other media in the study are limited.

Network TV

Sample Dates:

January – 8, 16

February – 10, 19, 21, 25

March – 12
 April – 15, 25
 May – 5, 6, 29, 30
 June – 16, 18
 July – 8, 24
 September – 4, 26
 October – 6

BY STORY

TOTAL N = 1,923 STORIES

	Total	All Network Evening	Commercial Network Evening	PBS Evening	Network Morning Shows
	N=1,923	N=1,110	N=783	N=327	N=813
DATE	%	%	%	%	%
Pre-Iraq Combat Operations (January 1 to February 15)	15	15	15	13	15
Lead-Up to Iraq Combat (February 16 to March 16)	20	20	19	21	20
Iraq Combat Operations (March 17 to May 1)	10	10	11	9	10
Post-Combat Operations (May 2 to October 6)	55	55	55	56	55
HOUR	%	%	%	%	%
Morning Shows – 7 AM	42	0	0	0	100
Evening Shows – 6 or 7 PM	58	100	100	100	0
PLACEMENT	%	%	%	%	%
First Story	25	23	30	6	29
News Block	27	18	0	62	39
Middle Story	28	36	40	25	17
Wrap Story	6	8	11	0	4
Last Story	14	15	19	6	11
STORY LENGTH	%	%	%	%	%
Up to 40 Seconds	38	44	42	48	29
41 seconds to 1.5 Minutes	8	7	6	11	9
91 Seconds to 3 Minutes	34	36	48	9	30
Longer Than 3 Minutes	20	12	4	33	31
STORY ORIGINATION	%	%	%	%	%
Staff Package w/ Editing	38	42	52	17	32
Staff External Interview (No Editing)	15	7	1	22	26
Staff In-House Interview	2	1	1	0	4
Staff Live/Live-to-Tape/Not Tell Story	2	2	2	0	2

External	1	1	0	3	1
Anchor Voice Over (w/ Video)	21	20	23	13	22
Tell Story/No Source (No Moving Video)	20	29	22	45	9
Anchor/Correspondent Banter	1	0	0	0	3
Live Events	0	0	0	0	0
BIG STORY/RECURRING LEAD	%	%	%	%	%
All Big Stories	49	51	51	53	46
All Iraq-Related Big Stories	24	29	27	33	18
All Other Intl. Big Stories	7	8	8	8	5
All U.S. Based Big Stories	18	15	16	12	23
Not A Big Story	51	49	49	47	54
PROTAGONIST	%	%	%	%	%
All Individual Protagonist	33	22	23	20	48
President Bush (Singled Out As an Individual)	*	*	*	0	*
Other Individual Protagonist	33	22	22	20	48
No Individual Protagonist	67	78	78	79	52
STORY TOPIC	%	%	%	%	%
ALL GOVERNMENT	14	18	16	24	8
Exec. Branch/Admin	6	7	6	9	4
Nat'l/State/Local (Legislation or Institution)	1	2	2	4	*
Government Agencies	2	3	3	3	1
Law/Courts	2	3	2	3	*
Campaigns/Elections	4	3	3	5	4
DEFENSE	3	2	3	*	4
ALL DOMESTIC AFFAIRS	13	15	16	11	10
Disease/Public Health	2	3	3	2	2
Education	1	1	1	1	1
Environment	1	1	1	0	*
Health Care System	2	3	3	2	2
Transportation	1	1	1	*	1
Terrorist Acts	1	1	1	0	*
Terrorism – Prevention Efforts	2	3	3	2	2
Domestic Affairs Other	2	3	3	3	1
BUSINESS/COMMERCE	8	12	12	11	2
CRIME	10	4	6	2	18
ALL FOREIGN AFFAIRS	24	29	25	39	17
Foreign Affairs-Diplomacy	11	13	10	20	9
Foreign Affairs-Military Activities	12	15	14	19	8
ALL ACCIDENTS/DISASTERS	9	8	10	4	11

Accidents (no intent)	2	2	3	1	3
Unusual Weather	4	3	4	0	5
Catastrophes/Disasters (no intent)	3	3	3	3	3
SCIENCE/TECHNOLOGY	2	2	2	3	2
Science	1	1	*	3	*
Medical Research	1	1	1	*	1
Technology	*	*	*	0	*
CELEBRITY/ENTERTAINMENT	6	2	2	1	11
Entertainment/Celeb	5	2	2	1	9
Celeb. Crime/Scandal	1	*	*	0	3
LIFESTYLE	9	5	6	3	14
Human Interest/Popular Behavior	1	1	2	0	1
Pop Culture	*	*	*	0	1
Health Trends	1	1	1	0	2
Religion	1	1	1	1	1
Travel	2	1	1	1	3
Cooking/Food	*	0	0	0	*
Family/Parenting	1	1	1	0	2
Civilization/Culture/High Arts	1	1	*	2	*
Sports	2	1	1	0	4
Other	*	*	*	0	0
OTHER	2	2	2	2	3
Consumer News	1	*	1	0	1
News Media	1	1	1	1	1
Oddball News	1	*	1	0	1
Weather (non-disaster)	*	*	*	0	*
Other	*	*	0	*	*
STORY TOPIC BY REGION	%	%	%	%	%
All Local/Metro	*	*	*	0	0
All Regional	29	18	21	10	44
All National	32	35	34	37	28
All U.S.-Related International	21	25	25	26	15
All Non-U.S. Related International	18	22	19	28	12
SOURCING: NAME/TITLE WITH RELATIONSHIP	%	%	%	%	%
None	28	32	32	32	23
Any	72	69	68	67	77
Total	100	101	100	99	100
Zero to One	55	54	52	58	56
Two or More	45	47	48	41	44

Total	100	101	100	99	100
Zero to Three	87	84	82	86	92
Four or More	13	17	18	13	8
Total	100	101	100	99	100
SOURCING: UNNAMED/UNTITLED WITH RELATIONSHIP EXPLAINED	%	%	%	%	%
None	74	75	70	85	73
Any	26	26	29	15	27
Total	100	101	99	100	100
Zero to One	85	84	80	90	87
Two or More	15	17	19	10	13
Total	100	101	99	100	100
SOURCING: UNNAMED/NO EXPLANATION OF RELATIONSHIP	%	%	%	%	%
None	91	90	86	99	93
Any	9	10	14	1	6
Total	100	100	100	100	99
Zero to One	95	93	90	100	97
Two or More	5	7	10	0	2
Total	100	100	100	100	99

BY VOLUME

TOTAL N =3,965 minutes

	Total	All Network Evening	Commercial Network Evening	PBS Evening	Network Morning Shows
	N=3,965 minutes	N=2,151 minutes	N=1,108 minutes	N=1,043 minutes	N=1,814 minutes
STORY ORIGINATION	%	%	%	%	%
Staff Package w/ Editing	48	59	84	31	36
Staff External Interview (No Editing)	37	28	1	56	48
Staff In-House Interview	3	*	1	0	7
Staff Live/Live-to-Tape/Not Tell Story	1	1	2	0	2
External	1	2	0	4	1
Anchor Voice Over (w/ Video)	4	5	7	2	4
Tell Story/No Source (No Moving Video)	3	5	5	6	1
Anchor/Correspondent Banter	1	0	0	0	2
Live Events	0	0	0	0	0
BIG STORY/RECURRING LEAD	%	%	%	%	%
All Big Stories	49	56	56	55	42
All Iraq-Related Big Stories	25	32	31	33	16

All Other Intl. Big Stories	5	6	8	3	4
All U.S. Based Big Stories	20	18	17	18	23
Not a Big Story	51	44	44	45	58
STORY TOPIC	%	%	%	%	%
ALL GOVERNMENT	17	25	17	33	8
Exec. Branch/Admin	6	8	7	10	3
Nat'l/State/Local (Legislation or Institution)	2	5	2	7	*
Government Agencies	2	3	3	4	1
Law/Courts	2	3	2	5	1
Campaigns/Elections	4	5	4	7	4
DEFENSE/MILITARY	3	2	3	1	5
ALL DOMESTIC AFFAIRS	14	17	18	13	11
Disease/Public Health	2	2	3	2	1
Education	2	2	2	2	2
Environment	1	1	1	0	1
Health Care System	3	4	4	5	2
Transportation	1	1	1	*	1
Terrorist Acts	1	1	1	0	1
Terrorism – Prevention Efforts	2	2	3	*	2
Domestic Affairs Other	3	4	4	5	1
BUSINESS/COMMERCE	4	7	9	5	1
CRIME	10	2	5	1	19
ALL FOREIGN AFFAIRS	22	29	26	32	13
Foreign Affairs-Diplomacy	11	13	11	16	8
Foreign Affairs-Military Activities	11	16	16	16	5
ALL ACCIDENTS/DISASTERS	7	6	9	2	9
Accidents (no intent)	2	1	2	*	3
Unusual Weather	3	2	3	0	4
Catastrophes/Disasters (no intent)	3	3	4	2	2
SCIENCE/TECHNOLOGY	2	3	2	3	1
Science	1	2	*	3	*
Medical Research	1	1	1	*	1
Technology	*	*	*	0	*
CELEBRITY/ENTERTAINMENT	7	1	2	*	14
Entertainment/Celeb	5	1	1	*	11
Celeb. Crime/Scandal	2	*	*	0	3
LIFESTYLE	10	7	7	6	15
Human Interest/Popular Behavior	1	1	2	0	2
Pop Culture	*	*	*	0	1
Health Trends	1	1	1	0	2

Religion	*	*	1	*	1
Travel	2	1	*	1	4
Cooking/Food	*	0	0	0	*
Family/Parenting	1	1	1	0	2
Civilization/Culture/High Arts	2	2	*	5	1
Sports	2	1	1	0	3
Other	*	*	*	0	0
OTHER	3	2	2	3	3
Consumer News	*	*	1	0	1
News Media	2	1	1	2	2
Oddball News	1	*	1	0	1
Weather (non-disaster)	*	*	*	0	*
Other	*	*	0	1	*
STORY TOPIC BY REGION	%	%	%	%	%
All Local/Metro	*	*	*	0	0
All Regional	30	17	22	12	46
All National	34	36	33	40	32
All U.S.-Related International	22	29	28	29	13
All Non-U.S. Related International	14	17	17	18	9

* NOTE: Due to rounding, totals may not equal 100.

Cable TV

Sample Dates:

June – 16

July – 15

August – 21

September – 19, 24

BY STORY

TOTAL N = 5,570 NEWS STORIES

	Total	Morning	Daytime	Early Evening	Prime Time
	N=5,570	N=963	N=2,253	N=1,374	N=980
PLACEMENT	%	%	%	%	%
First Story	24	18	23	25	30
News Block	28	40	24	26	24

Middle Story	16	12	18	16	15
Wrap Story	22	22	23	21	22
Last Story	10	7	12	11	10
STORY LENGTH	%	%	%	%	%
Up to 40 Seconds	46	46	45	48	50
41 seconds to 1.5 Minutes	14	21	13	12	11
91 Seconds to 3 Minutes	21	17	25	23	14
Longer Than 3 Minutes	18	15	16	17	25
STORY ORIGINATION	%	%	%	%	%
Staff Package w/ Editing	8	4	8	12	8
Staff External Interview (No Editing)	13	13	9	14	22
Staff In-House Interview	5	5	4	6	5
Staff Live/Live-to-Tape/Not Tell Story	17	13	25	14	6
External	1	0	1	*	*
Anchor Voice Over (w/ Video)	38	28	39	37	47
Tell Story/No Source (No Moving Video)	14	21	11	14	11
Anchor/Correspondent Banter	4	15	1	2	0
Live Events	1	1	2	1	1
BIG STORY/RECURRING LEAD	%	%	%	%	%
All Big Stories	49	54	52	47	43
All Iraq-Related Big Stories	20	26	21	16	14
All Other Intl. Big Stories	7	9	7	6	7
All U.S. Based Big Stories	23	19	23	24	22
Not A Big Story	51	46	48	53	57
PROTAGONIST	%	%	%	%	%
All Individual Protagonist	34	30	31	36	43
President Bush (Singled Out As an Individual)	1	1	1	1	1
Other Individual Protagonist (non-Bush)	32	29	30	36	42
No Individual Protagonist	66	71	69	65	56
STORY TOPIC	%	%	%	%	%
ALL GOVERNMENT	21	13	20	30	22
Exec. Branch/Admin	6	5	6	7	6
Nat'l/State/Local (Legislation or Institution)	1	1	1	1	1
Government Agencies	1	*	1	1	*
Law/Courts	4	2	4	5	3
Campaigns/Elections	10	5	9	14	12
DEFENSE	3	3	3	2	2
ALL DOMESTIC AFFAIRS	8	9	8	7	8
Disease/Public Health	1	1	1	1	*

Education	*	*	*	*	1
Environment	*	*	*	*	*
Health Care System	*	*	*	*	*
Transportation	1	1	1	1	1
Terrorist Acts	2	3	3	2	2
Terrorism – Prevention Efforts	2	1	2	2	2
Domestic Affairs Other	2	1	2	2	2
BUSINESS / COMMERCE	6	4	5	9	4
CRIME	11	7	11	11	14
ALL FOREIGN AFFAIRS	19	24	21	16	14
Foreign Affairs-Diplomacy	9	11	10	8	6
Foreign Affairs-Military Activities	10	13	11	8	8
ALL ACCIDENTS / DISASTERS	12	13	16	9	7
Accidents (no intent)	3	2	4	2	2
Unusual Weather	6	9	8	5	3
Catastrophes/Disasters (no intent)	3	3	5	3	2
SCIENCE/TECHNOLOGY	1	1	1	1	2
Science	*	*	*	1	1
Medical Research	*	*	*	0	*
Technology	1	1	*	1	*
CELEBRITY/ENTERTAINMENT	6	7	4	6	12
Entertainment/Celeb	5	6	4	5	9
Celeb. Crime/Scandal	1	1	1	1	3
LIFESTYLE	9	13	8	7	10
Human Interest/Popular Behavior	1	2	1	1	1
Pop Culture	*	*	1	*	1
Health Trends	*	1	*	*	0
Religion	2	2	3	2	3
Travel	*	*	*	0	*
Cooking/Food	*	*	*	0	*
Family/Parenting	1	1	1	*	2
Civilization/Culture/High Arts	*	*	*	1	1
Sports	2	6	2	1	2
Other	*	1	*	*	1
OTHER	4	6	2	2	6
Consumer News	*	1	*	*	*
News Media	1	1	*	1	3
Oddball News	1	1	1	1	2
Weather (non-disaster)	1	3	1	*	0
Other	*	1	*	*	*
STORY TOPIC BY REGION	%	%	%	%	%

All Local/Metro	*	0	0	0	*
All Regional	37	33	41	33	38
All National	30	28	24	36	36
All U.S.-Related International	19	23	21	17	14
All Non-U.S. Related International	14	16	14	14	12
SOURCING: NAME/TITLE WITH RELATIONSHIP	%	%	%	%	%
None	46	57	45	43	39
Any	55	43	54	57	60
Total	101	100	99	100	99
Zero to One	77	84	77	72	71
Two or More	24	16	22	28	28
Total	101	100	99	100	99
Zero to Three	96	97	96	93	91
Four or More	5	3	3	7	8
Total	101	100	99	100	99
SOURCING: UNNAMED/UNTITLED WITH RELATIONSHIP EXPLAINED	%	%	%	%	%
None	78	82	75	80	78
Any	21	18	25	19	22
Total	99	100	100	99	100
Zero to One	87	89	85	87	90
Two or More	12	11	15	12	10
Total	99	100	100	99	100
SOURCING: UNNAMED/NO EXPLANATION OF RELATIONSHIP	%	%	%	%	%
None	96	94	96	96	96
Any	4	6	4	4	4
Total	100	100	100	100	100
Zero to One	98	97	98	98	98
Two or More	2	3	2	2	2
Total	100	100	100	100	100
STORY FRESHNESS	%	%	%	%	%
Package/Story/Interview – Exact Replay	3	2	4	3	3
Repeat Story – No Substantive, New Information	40	31	46	42	33
Repeat Story – New Angle Added, Without New Information	25	23	23	27	30
Repeat storyline – With Substantive, New	5	2	7	4	4

Information					
New Story, First Appearance	26	42	20	23	30

BY VOLUME

TOTAL N=9449 minutes

	Total	Morning	Daytime	Early Evening	Prime Time
	N=9,449 minutes	N=1,385 minutes	N=3,753 minutes	N=2,194 minutes	N=2,117 minutes
STORY ORIGINATION	%	%	%	%	%
Staff Package w/ Editing	11	6	11	18	9
Staff External Interview (No Editing)	32	32	21	36	49
Staff In-House Interview	9	11	8	10	8
Staff Live/Live-to-Tape/Not Tell Story	21	17	34	18	6
External	1	0	1	*	*
Anchor Voice Over (w/ Video)	11	11	11	10	11
Tell Story/No Source (No Moving Video)	4	8	4	4	3
Anchor/Correspondent Banter	3	14	1	2	0
Live Events	8	2	10	1	13
BIG STORY/RECURRING LEAD	%	%	%	%	%
All Big Stories	59	54	61	56	59
All Iraq-Related Big Stories	22	27	26	20	14
All Other Intl. Big Stories	8	10	8	8	6
All U.S. Based Big Stories	29	17	28	28	40
Not a Big Story	41	46	39	44	41
STORY TOPIC	%	%	%	%	%
ALL GOVERNMENT	27	15	22	32	38
Exec. Branch/Admin	7	5	6	9	7
Nat'l/State/Local (Legislation or Institution)	1	2	*	1	1
Government Agencies	*	*	*	1	*
Law/Courts	4	2	4	5	3
Campaigns/Elections	15	5	11	17	26
DEFENSE	2	1	3	3	1
ALL DOMESTIC AFFAIRS	6	9	7	6	6
Disease/Public Health	1	2	1	1	*
Education	*	*	*	*	1
Environment	*	*	*	*	*
Health Care System	*	1	*	*	*
Transportation	1	*	*	1	1
Terrorist Acts	2	2	2	1	1
Terrorism – Prevention Efforts	2	2	2	1	2

Domestic Affairs Other	1	1	1	1	2
BUSINESS / COMMERCE	3	3	2	6	1
CRIME	11	5	10	9	14
ALL FOREIGN AFFAIRS	22	27	27	19	13
Foreign Affairs-Diplomacy	11	13	12	11	7
Foreign Affairs-Military Activities	11	14	15	8	6
ALL ACCIDENTS / DISASTERS	10	12	15	7	3
Accidents (no intent)	1	1	2	1	1
Unusual Weather	6	8	8	4	2
Catastrophes/Disasters (no intent)	3	3	4	2	1
SCIENCE/TECHNOLOGY	1	1	1	1	1
Science	*	*	*	1	*
Medical Research	*	*	*	0	*
Technology	*	*	*	1	*
CELEBRITY/ENTERTAINMENT	7	9	4	5	10
Entertainment/Celeb	5	8	4	5	7
Celeb. Crime/Scandal	1	2	1	1	2
LIFESTYLE	9	12	8	8	10
Human Interest/Popular Behavior	2	2	2	2	1
Pop Culture	*	1	1	*	*
Health Trends	*	1	*	*	0
Religion	3	1	3	4	4
Travel	*	*	1	0	*
Cooking/Food	*	*	*	0	*
Family/Parenting	1	1	1	*	2
Civilization/Culture/High Arts	1	2	*	*	*
Sports	1	3	1	1	2
Other	*	*	*	*	*
OTHER	3	7	1	2	4
Consumer News	1	1	1	*	*
News Media	2	3	*	1	3
Oddball News	*	*	*	*	1
Weather (non-disaster)	*	1	*	*	0
Other	*	1	*	*	*
STORY TOPIC BY REGION	%	%	%	%	%
All Local/Metro	*	0	0	0	*
All Regional	39	28	41	32	48
All National	29	33	20	36	33
All U.S.-Related International	22	25	26	22	13
All Non-U.S. Related International	10	13	13	10	6

*Due to rounding, totals may not equal 100.

*Due to sample date selection, cable data is not comparable to other media in the study.

Magazines

2004 Annual Report on the State of the News Media

Magazine Topline

Sample Dates:

February – 17

April – 7

June – 16

October – 6

BY STORY

TOTAL N = 490 STORIES

	TOTAL
TIMEFRAME	%
Pre-Iraq Combat Operations (January 1 to February 15)	0
Lead-Up to Iraq Combat (February 16 to March 16)	26
Iraq Combat Operations (March 17 to May 1)	21
Post-Combat Operations (May 2 to October 6)	53
PLACEMENT	%
Cover Story	15
Inside Story	85
STORY LENGTH	%
100 Words or Less	5
101-500 Words	46
501-1000 Words	31
Above 1000 Words	19
STORY ORIGINATION	%
Staff Reported	98
Wire – Unaffiliated	1
Other	2

BIG STORY/RECURRING LEAD	%
All Big Stories	36
All Iraq-Related Big Stories	22
All Other Intl. Big Stories	3
All U.S. Based Big Stories	11
Not a Big Story	64
PROTAGONIST	%
All Single Protagonist	27
All Institutional Protagonist	9
No Protagonist	64
STORY TOPIC	%
ALL GOVERNMENT	11
Exec. Branch/Admin	3
Nat'l/State/Local (Legislation or Institution)	1
Government Agencies	*
Law/Courts	3
Campaigns/Elections	4
DEFENSE	1
.ALL DOMESTIC AFFAIRS	11
Disease/Public Health	3
Education	*
Environment	*
Health Care System	1
Transportation	*
Terrorist Acts	*
Terrorism – Prevention Efforts	4
Domestic Affairs Other	3
BUSINESS / COMMERCE	9
CRIME	1
ALL FOREIGN AFFAIRS	18
Foreign Affairs-Diplomacy	4
Foreign Affairs-Military Activities	14
ALL ACCIDENTS / DISASTERS	2
Accidents (no intent)	*
Unusual Weather	0
Catastrophes/Disasters (no intent)	2
SCIENCE/TECHNOLOGY	7
Science	3
Medical Research	2
Technology	2

CELEBRITY/ENTERTAINMENT	6
Entertainment/Celeb	5
Celeb. Crime/Scandal	1
LIFESTYLE	24
Human Interest/Popular Behavior	1
Pop Culture	5
Health Trends	4
Religion	*
Travel	2
Cooking/Food	3
Family/Parenting	1
Civilization/Culture/High Arts	4
Sports	3
Other	1
OTHER	8
Consumer News	3
News Media	3
Oddball News	0
Weather (non-disaster)	0
Other	2
STORY TOPIC BY REGION	%
All Local/Metro	1
All Regional	1
All National	67
All U.S.-Related International	27
All Non-U.S. Related International	4
SOURCING: NAME/TITLE WITH RELATIONSHIP	%
None	25
One to Three	47
Four or More	28
SOURCING: UNNAMED/UNTITLED WITH RELATIONSHIP EXPLAINED	%
None	80
One to Three	14
Four or More	6
SOURCING: UNNAMED/NO EXPLANATION OF RELATIONSHIP	%
None	99
One to Three	1

Four or More	0
BY VOLUME	
Total N =333,768 Words	
STORY ORIGINATION	%
Staff Reported	97
Wire – Unaffiliated	*
Other	2
BIG STORY/RECURRING LEAD	%
All Big Stories	45
All Iraq-Related Big Stories	32
All Other Intl. Big Stories	3
All U.S. Based Big Stories	11
Not a Big Story	55
STORY TOPIC	%
ALL GOVERNMENT	9
Exec. Branch/Admin	3
Nat'l/State/Local (Legislation or Institution)	1
Government Agencies	*
Law/Courts	2
Campaigns/Elections	3
DEFENSE	1
ALL DOMESTIC AFFAIRS	10
Disease/Public Health	2
Education	*
Environment	1
Health Care System	1
Transportation	*
Terrorist Acts	1
Terrorism – Prevention Efforts	3
Domestic Affairs Other	2
BUSINESS / COMMERCE	9
CRIME	1
ALL FOREIGN AFFAIRS	29
Foreign Affairs-Diplomacy	5
Foreign Affairs-Military Activities	24
ALL ACCIDENTS / DISASTERS	3
Accidents (no intent)	*
Unusual Weather	0
Catastrophes/Disasters (no intent)	3
SCIENCE/TECHNOLOGY	9

Science	4
Medical Research	2
Technology	3
CELEBRITY/ENTERTAINMENT	6
Entertainment/Celeb	4
Celeb. Crime/Scandal	2
LIFESTYLE	18
Human Interest/Popular Behavior	1
Pop Culture	3
Health Trends	4
Religion	*
Travel	2
Cooking/Food	2
Family/Parenting	1
Civilization/Culture/High Arts	3
Sports	1
Other	1
OTHER	5
Consumer News	1
News Media	3
Oddball News	0
Weather (non-disaster)	0
Other	1
STORY TOPIC BY REGION	%
All Local/Metro	2
All Regional	1
All National	55
All U.S.-Related International	40
All Non-U.S. Related International	3

*NOTE: Due to rounding, totals may not equal 100%