

THE STATE OF THE NEWS INDUSTRY CLASS TWO

Brant Houston

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RECENT EVENTS

Warren Buffett Will Sell His Newspaper Empire

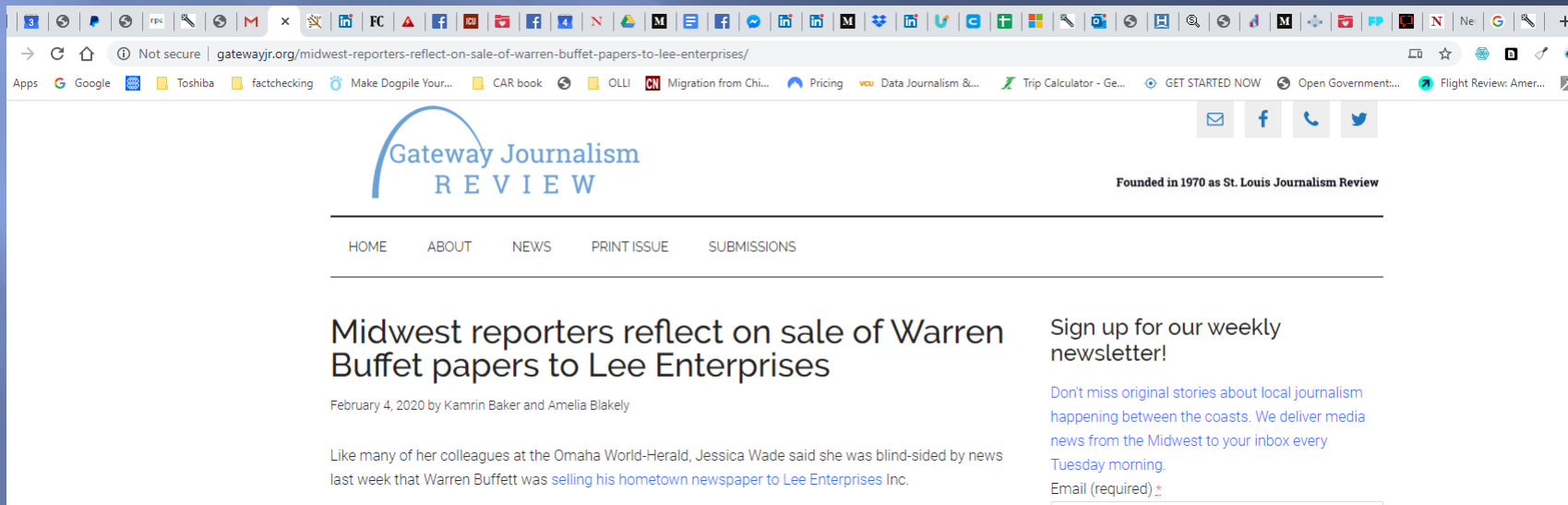
With a deal to sell Berkshire Hathaway's newspapers to Lee Enterprises, the billionaire is giving up on the news business.



<https://www.nytimes.com/2020/01/29/business/media/warren-buffett-newspapers.html>

RECENT EVENTS

- Buffett sells newspapers



The screenshot shows a web browser window with the URL `gatewayjr.org/midwest-reporters-reflect-on-sale-of-warren-buffett-papers-to-lee-enterprises/`. The page features the Gateway Journalism Review logo, a navigation menu with links for HOME, ABOUT, NEWS, PRINT ISSUE, and SUBMISSIONS, and a main article titled "Midwest reporters reflect on sale of Warren Buffet papers to Lee Enterprises" dated February 4, 2020. A sidebar on the right promotes a weekly newsletter sign-up.

Gateway Journalism
REVIEW

Founded in 1970 as St. Louis Journalism Review

HOME ABOUT NEWS PRINT ISSUE SUBMISSIONS

Midwest reporters reflect on sale of Warren Buffet papers to Lee Enterprises

February 4, 2020 by Kamrin Baker and Amelia Blakely

Like many of her colleagues at the Omaha World-Herald, Jessica Wade said she was blind-sided by news last week that Warren Buffett was [selling his hometown newspaper to Lee Enterprises Inc.](#)

Sign up for our weekly newsletter!

Don't miss original stories about local journalism happening between the coasts. We deliver media news from the Midwest to your inbox every Tuesday morning.

Email (required) *

NEW STUDY OF DECIMATION OF NEWS

The screenshot shows the PEN America website. At the top left is the PEN AMERICA logo with the tagline 'The Freedom to Write'. To the right are navigation links for 'A- A+' and 'Select Language', a search bar, and a 'DONATE NOW' button. A red navigation bar contains links for 'ADVOCACY & ACTION', 'WRITERS & READERS', 'FESTIVAL & EVENTS', 'MEMBERSHIP', 'ABOUT', and 'GIVE'. The main content area features a breadcrumb trail: 'Home > Research & Resources > Losing the News'. The article title is 'LOSING THE NEWS'. The text discusses the impact of local news outlets being shut down and the search for solutions. A sidebar on the left contains social media icons for Facebook, Twitter, LinkedIn, and Email. On the right, there are three promotional boxes: 'Join PEN America Today' with a call to defend free expression, 'Subscribe' with a call to get updates on events and awards, and 'What's New' featuring two recent talks: 'PEN Out Loud Talks: Mitchell S. Jackson and Imani Perry' and 'Free Speech Q&A: Elizabeth Warren'. At the bottom, there is a list of social media sharing options.

PEN AMERICA The Freedom to Write

A- A+ Select Language

search Q

DONATE NOW

ADVOCACY & ACTION WRITERS & READERS FESTIVAL & EVENTS MEMBERSHIP ABOUT GIVE


Home > Research & Resources > Losing the News

LOSING THE NEWS

As local news outlets are gutted and shuttered, reporters laid off, publication schedules cut, and resources tightened across the country, *Losing the News: The Decimation of Local News and the Search for Solutions* sounds the alarm about the existential threat facing local watchdog journalism and proposes big-picture solutions for its revitalization.

At a time when political polarization is growing and fraudulent news is spreading, a shared baseline of facts on the issues that most directly affect Americans is more essential than ever. Without reliable information on how tax dollars are spent, how federal policy affects local communities, and whether local elected officials are meeting constituent needs, how can citizens make informed choices about who should govern?

Confronted with the scope and stakes of the problem, *Losing the News* ultimately calls for a



Losing the News

- Executive Summary
- Recommendations
- Read the Full Report
- Read the Case Studies
- What You Can Do
- Local News on the Brink

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Defend free expression, support persecuted writers, and promote literary culture.

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Get updates on events, literary awards, free expression issues, and global news.

Email Address

What's New

- PEN Out Loud Talks: Mitchell S. Jackson and Imani Perry**
- Free Speech Q&A: Elizabeth Warren**

Waiting for p...

Print Keyboard shortcuts Facebook Twitter LinkedIn Email

<https://pen.org/local-news/>

BRIEF HISTORY OF JOURNALISM IN THE U.S

- Since 2005, newspapers have lost more than \$35 billion in ad revenue.¹⁷
- • Since 2004, newspapers have lost 47 percent of newsroom staff.
- • Over 1,500 counties have only one newspaper, usually a weekly, to cover populations ranging from under a thousand to over a million residents.

BRIEF HISTORY OF JOURNALISM IN THE U.S

- • Of the surviving 7,200 newspapers, at least a thousand could be described as “ghost newspapers” so damaged by cutbacks that they produce little original reporting.
- Meanwhile, industry consolidation has
- Just 25 companies owned two-thirds of the country’s daily newspapers in 2018.24
- • Five companies owned approximately one-third of the country’s 1,400 local TV stations in 2014.2

UNCOVERED CITY

BOARD AND COMMISSION DOCUMENTS

BOARD AND COMMISSION VACANCIES

APPLY TO SERVE ON A BOARD OR COMMISSION

community, and can apply their own talents and experiences to improve the quality of life for everyone living in our wonderful city. Volunteering to serve on a board or commission is an opportunity to give back to the community and to make a difference right here at home.

▶ Board of Fire and Police Commissioners

▶ Champaign Public Library Board of Trustees

▶ Citizen Review Subcommittee

▶ Code Review and Appeals Board

▶ Historic Preservation Commission

▶ Human Relations Commission

▶ Neighborhood Services Advisory Board

▶ Plan Commission

▶ Zoning Board of Appeals

▶ Retired Boards and Commissions



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NEW DIRECTIONS

Are there alternatives to declining, disappearing newspapers?

Many of us in journalism are working to develop newsrooms that will provide valuable and quality journalism. Our approach is not to “replace” what has been lost, but to reinvent the coverage. That reinvention – already underway – is through better use of online digital tools and algorithms by nimble reporters who get out into communities, but also are data savvy and can adapt to ever-changing technology.

<https://news.illinois.edu/view/6367/805912>

HOW BAD IS IT?

The New York Times

Opinion

Will The Chicago Tribune Be the Next Newspaper Picked to the Bone?

Journalists worry that a New York hedge fund with a big stake in the paper will impose draconian cuts, as it has elsewhere.

By David Jackson and Gary Marx
The writers are investigative reporters at The Chicago Tribune.

Jan. 19, 2020

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An illustration showing several large stacks of newspapers. In the background, there is a stylized city skyline with various buildings in shades of orange and red. The newspapers in the foreground are stacked high, with some pages visible, including one with the word 'fant.' and another with 'inel'.

- <https://www.nytimes.com/2020/01/19/opinion/chicago-tribune-alden-capital.html>

PRIVATE EQUITY

- Private equity has been gobbling up newspapers across the country and systematically squeezing the life out of them to produce windfall profits, while the papers last. The cost to democracy is incalculable. Robust civic life depends on good local newspapers. Without the informed dialogue that a newspaper enables, the public business is the private province of the local commercial elite, voters are uninformed, and elected officials are unaccountable.
- <https://prospect.org/health/saving-free-press-private-equity>

PRIVATE EQUITY AND HARVESTING

- The Post is just the most recent outlet owned by “vulture” hedge fund Alden Global Capital to face the ax. Alden controls Digital First Media, the country’s second largest newspaper chain, which has a pattern of gutting newsrooms and selling off valuable office space to squeeze profit from the industry. In the Bay Area, it has decimated the San Jose Mercury News, cutting a newsroom of more than 400 down to about 40 staffers

https://www.cjr.org/the_media_today/denver-post-cuts-digital-first.php

LOCALLY

- News-Gazette Media, Champaign, affecting 130 employees including members of the Printing, Publishing and Media Workers Sector of the Communication Workers of America, Champaign-Urbana Typographical Union Local 444. The job cuts are the result of the paper being sold, according to the WARN notice. The News-Gazette in August reported it had been purchased by Community Media Group, headquartered in downstate West Frankfort. First layoff date is Oct. 31, with layoffs to be completed by Nov. 13.
- <https://patch.com/illinois/champaign/over-500-illinois-layoffs-nestle-newspaper-cut-employees>
- https://www.news-gazette.com/news/news-gazette-media-to-be-sold-to-community-media-group/article_ff336582-43bd-5131-bdab-f46735458815.html

THE OVERVIEW

- Local dailies and weeklies are in a slow death spiral. They missed the digital rendezvous. Operating losses cause owners to lay off staff and shrink content, further depressing readership and ad income, leaving little to reinvest in digital. Local web-only media are feisty in a few places, but no substitute for a robust newspaper, whether print, web, or a blend.
- <https://prospect.org/health/saving-free-press-private-equity>

NO GROWTH AUDIENCE IN PUBLIC BROADCASTING

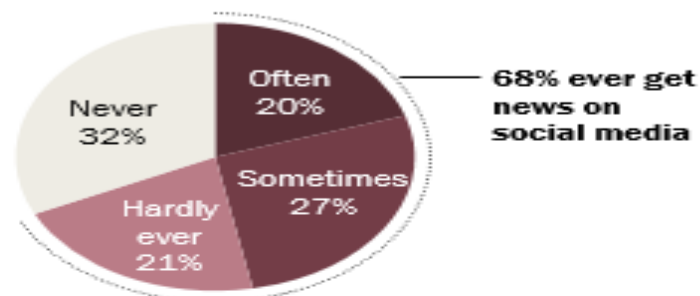
On the whole, the news offerings of U.S. public broadcasters have been marked by relative financial stability and, in the past year, little to no audience growth.

<https://www.journalism.org/fact-sheet/public-broadcasting/>

DISAPPEARING CREDIBILITY

About two-thirds of Americans get news on social media

% of U.S. adults who get news on social media ...



But most social media news consumers expect news there to be inaccurate

% of social media news consumers who say they expect the news they see on social media to be ...



Note: No answer responses not shown.

Source: Survey conducted July 30-Aug. 12, 2018.

"News Use Across Social Media Platforms 2018"

PEW RESEARCH CENTER

DISAPPEARING TRUST

Americans' Trust in Mass Media



THE RISE OF SOCIAL MEDIA MANIPULATION



Computational
Propaganda
Research Project

**Challenging Truth and Trust: A Global Inventory
of Organized Social Media Manipulation**

Samantha Bradshaw, *University of Oxford*
Philip N. Howard, *University of Oxford*

SOLUTIONS SO FAR

- Return to local ownership without concern for profit
- “Benign” millionaires and billionaires
- Topic driven newsrooms and newsletters
- Nonprofit newsrooms

THE RISE OF NONPROFITS



Global Investigative Journalism Network

**Member
organizations**

2001: 20

2019: 183

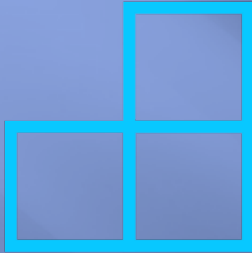
VALUE OF REAL NEWS

“Each dollar spent on stories can generate hundreds of dollars in benefits to society. Stories costing thousands to produce can deliver millions in benefits across a community.”

•

*Economist James Hamilton,
Democracy’s Detectives: The
Economics of Investigative
Journalism*

THE RISE OF NONPROFITS IN U.S.



**Institute for
Nonprofit News**

**Member
organizations**

2009: 27

2019: 250

NONPROFIT NEWS

The image is a screenshot of a Bloomberg news article. At the top, there is a browser address bar showing the URL: [bloomberg.com/news/articles/2019-04-25/silicon-valley-is-killing-local-news-can-charity-bring-it-back](https://www.bloomberg.com/news/articles/2019-04-25/silicon-valley-is-killing-local-news-can-charity-bring-it-back). Below the browser bar is the Bloomberg logo and a search bar. The article is categorized under 'Media' and has the main headline: 'Local News in America Is Dying. Charity Might Save It'. The sub-headline reads: 'Some 200 nonprofit websites are hustling to keep state and city governments honest. Many are succeeding.' The author is identified as 'Gerry Smith' and the publication date is 'April 25, 2019, 3:00 AM CDT'. On the left side, there are social sharing options for Facebook, Twitter, LinkedIn, and Email. The main text of the article begins with 'The City, a website covering local news in America's biggest metropolis, debuted this month with a bank account some of its nonprofit peers could only dream of.' Below this, it states 'Backed by almost \$10 million from philanthropies and individuals, the New York-based news organization has more than double the cash that nonprofit-pioneer the Texas Tribune had when it started 10 years ago.' On the right side, there is a 'LIVE ON BLOOMBERG' section with 'Watch Live TV' and 'Listen to Live Radio' buttons, and a 'Most Read' section featuring the article 'A Secretive Family Landing a \$4 Billion Haul Has Everyone Guessing'.

Media

Local News in America Is Dying. Charity Might Save It

Some 200 nonprofit websites are hustling to keep state and city governments honest. Many are succeeding.

By [Gerry Smith](#)
April 25, 2019, 3:00 AM CDT

SHARE THIS ARTICLE

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- Post
- Email

In this article

The City, a website covering local news in America's biggest metropolis, debuted this month with a bank account some of its nonprofit peers could only dream of.

Backed by almost \$10 million from philanthropies and individuals, the New York-based [news organization](#) has more than double the cash that nonprofit-pioneer [the Texas Tribune](#) had when it started 10 years ago.

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Most Read

BUSINESS
A Secretive Family Landing a \$4 Billion Haul Has Everyone Guessing

WHAT IS GOOD NONPROFIT NEWS

- **Diverse Sources**
- **Independent confirmation of facts**
- **Supporting documents or data**
- **Transparent funding**
- **Corrections**
- **Separation of news from opinion**

SUSTAINABILITY MODEL

- Donations
- Subscriptions
- Memberships
- Community events
- Publications and educational material
- Collaborations
- Focus on certain topics
- Better use of technology – digital and mobile

LOCAL AND REGIONAL NEWROOMS



CU-CitizenAccess.org



<https://investigatemitmidwest.org/>