In 2012, a continued erosion of news reporting resources converged with growing opportunities for those in politics, government agencies, companies and others to take their messages directly to the public.

Signs of the shrinking reporting power are documented throughout this year’s report. Estimates for newspaper newsroom cutbacks in 2012 put the industry down 30% since 2000 and below 40,000 full-time professional employees for the first time since 1978. In local TV, our special content report reveals, sports, weather and traffic now account on average for 40% of the content produced on the newscasts studied while story lengths shrink. On CNN, the cable channel that has branded itself around deep reporting, produced story packages were cut nearly in half from 2007 to 2012. Across the three cable channels, coverage of live events and live reports during the day, which often require a crew and correspondent, fell 30% from 2007 to 2012 while interview segments, which tend to take fewer resources and can be scheduled in advance, were up 31%. Time magazine, the only major print news weekly left standing, cut roughly 5% of its staff in early 2013 as a part of broader company layoffs. And in African-American news media, the Chicago Defender has winnowed its editorial staff to just four while The Afro cut back the number of pages in its papers from 28-32 in 2008 to around 16-20 in 2012. A growing list of media outlets, such as Forbes magazine, use technology by a company called Narrative Science to produce content by way of algorithm, no human reporting necessary. And some of the newer nonprofit entrants into the industry, such as the Chicago News Cooperative, have, after launching with much fanfare, shut their doors.

This adds up to a news industry that is more undermanned and unprepared to uncover stories, dig deep into emerging ones or to question information put into its hands. And findings from our new public opinion survey released in this report reveal that the public is taking notice. Nearly one-third of the respondents (31%) have deserted a news outlet because it no longer provides the news and information they had grown accustomed to.

At the same time, newsmakers and others with information they want to put into the public arena have become more adept at using digital technology and social media to do so on their own, without any filter by the traditional media. They are also seeing more success in getting their message into the traditional media narrative.

So far, this trend has emerged most clearly in the political sphere, particularly with the biggest story of 2012—the presidential election. A Pew Research Center analysis revealed that campaign reporters were acting primarily as megaphones, rather than as investigators, of the assertions put forward by the candidates and other political partisans. That meant more direct relaying of assertions made by the campaigns and less reporting by journalists to interpret and contextualize them. This is summarized in our special video report on our Election Research, only about a quarter of statements in the media about the
character and records of the presidential candidates originated with journalists in the 2012 race, while twice that many came from political partisans. That is a reversal from a dozen years earlier when half the statements originated with journalists and a third came from partisans. The campaigns also found more ways than ever to connect directly with citizens.

There are signs of this trend that carry beyond the political realm, as more and more entities seek, by various means, to fill the void left by overstretched editorial resources. Business leaders in Detroit, Mich., for example, have created an organization to serve as a kind of tour guide to journalists with the goal of injecting more favorable portrayals of the city into media coverage. The government of Malaysia was recently discovered to have bankrolled propaganda that appeared in several major U.S. outlets under columnists’ bylines. A number of news organizations, including The Associated Press, recently carried a fake press release about Google that came from a PR distribution site that promises clients it will reach “top media outlets.” And recently, journalist David Cay Johnston in writing about a pitch from one corporate marketer that included a “vacation reward” for running his stories, remarked, “Journalists get lots of pitches like this these days, which is partly a reflection of how the number of journalists has shriveled while the number of publicists has grown.” Indeed, an analysis of Census Bureau data by Robert McChesney and John Nichols found the ratio of public relations workers to journalists grew from 1.2 to 1 in 1980 to 3.6 to 1 in 2008—and the gap has likely only widened since.

In circumventing the media altogether, one company, Contently, connects thousands of journalists, many of them ex-print reporters, with commercial brands to help them produce their own content, including brand-oriented magazines. In early March, Fortune took that step, launching a program for advertisers called Fortune TOC—Trusted Original Content—in which Fortune writers, for a fee, create original Fortune-branded editorial content for marketers to distribute exclusively on their own platforms.

Efforts by political and corporate entities to get their messages into news coverage are nothing new. What is different now—adding up the data and industry developments—is that news organizations are less equipped to question what is coming to them or to uncover the stories themselves, and interest groups are better equipped and have more technological tools than ever.

While traditional newsrooms have shrunk, however, there are other new players producing content that could advance citizens’ knowledge about public issues. They are covering subject areas that would have once been covered more regularly and deeply by beat reporters at traditional news outlets—areas such as health, science and education. The Kaiser Family Foundation was an early entrant with Kaiser Health News. Now others, such as Insidescience.org, supported by the American Institute of Physics and others, and the Food and Environment Reporting Network with funding from nonprofit foundations are beginning to emerge. In the last year, more news outlets have begun to carry this content with direct attribution to the source. The Washington Post, for example, regularly carries articles bylined by Kaiser Health News and NBC.com runs Insidescience.org stories with a lead-in identifying the source.

For news organizations, distinguishing between high-quality information of public value and agenda-driven news has become an increasingly complicated task, made no easier in an era of economic churn.
This is the tenth edition of the State of the News Media produced by the Pew Research Center’s Project for Excellence in Journalism. Among the features this year are a special report on changes in television news; a special video report on lessons of the 2012 election; a new public opinion survey on how people get news from friends and family—and what they do next; a special survey on public awareness of the financial struggles facing the industry; a close look at African American news media, and an infographic that visually displays the overview and key trends. The chapters on each sector of the news industry contain two parts, a Summary Essay and a separate section called By the Numbers, where all the statistical information is more easily searchable.

Looking across these chapters, we identify six major trends of the year:

**The effects of a decade of newsroom cutbacks are real - and the public is taking notice.** Nearly a third of U.S. adults, 31%, have stopped turning to a news outlet because it no longer provided them with the news they were accustomed to getting. Men have left at somewhat higher rates than women, as have the more highly educated and higher-income earners—many of those, in other words, that past Pew Research data have shown to be among the heavier news consumers. With reporting resources cut to the bone and fewer specialized beats, journalists’ level of expertise in any one area and the ability to go deep into a story are compromised. Indeed, when people who had heard something about the financial struggles were asked which effect they noticed more, stories that were less complete or fewer stories over all, 48% named less complete stories while 31% mostly noticed fewer stories. Overall, awareness of the industry’s financial struggles is limited. Only 39% have heard a lot or some. But those with greater awareness are also more likely to be the ones who have abandoned a news outlet.

**The news industry continues to lose out on the bulk of new digital advertising.** Two new areas of digital advertising that seemed to bring promise even a year ago now appear to be moving outside the reach of news: mobile devices and local digital advertising. Over all, mobile advertising grew 80% in 2012 to $2.6 billion. Of that, however, only one ad segment is available to news: display. While mobile display is growing rapidly, 72% of that market goes to just six companies—including Facebook, which didn’t even create its first mobile ad product until mid-2012. Local digital advertising, a critical ad segment for news as the majority of outlets cater to a local audience, is also growing—22% in 2012. But improved geo-targeting is allowing many national advertisers to turn to Google, Facebook and other large networks to buy ads that once might have gone to local media. In addition, Google and Facebook are also improving their ability to sell ad space to smaller, truly local, advertisers, again taking business that once went to local media. It is hard to see how news organizations will secure anything like their traditional share. Google is now the ad leader in search, display and mobile. Once again, in key revenue areas, it appears the news industry may have been outflanked by technology giants.

**The long-dormant sponsorship ad category is seeing sharp growth.** This is one area of growing digital ad revenue where news organizations have taken early steps to move in. Promoted tweets on Twitter account for some of the growth, along with the rise of native ads—the digital term for advertorials containing advertiser-produced stories—which often run alongside a site’s own editorial content. Though it remains small in dollars, the category’s growth rate is second only to that of video. Sponsorship ads rose 38.9%, to $1.56 billion; that followed a jump of 56.1% in 2011. Traditional publications such as The Atlantic and
Forbes, as well as digital publications BuzzFeed and Gawker, have relied on native ads to quickly build digital ad revenues, and their use is expected to spread. According to tech website PandoDaily, major publishers including Hearst, Time and Condé Nast are investing in formats to run native ads, as are many newspapers. The development, however, runs the risk of confusing readers about the difference between advertising and news content. In January, The Atlantic found itself rapidly taking down from its website a vaguely identified advertorial from the Church of Scientology, explaining afterward: “We now realize that as we explored new forms of digital advertising, we failed to update the policies that must govern the decisions we make along the way. It’s safe to say that we are thinking a lot more about these policies after running this ad than we did beforehand.”

**The growth of paid digital content experiments may have a significant impact on both news revenue and content.** After years of an almost theological debate about whether digital content should be free, the newspaper industry may have reached a tipping point in 2012. Indeed, 450 of the nation’s 1,380 dailies have started or announced plans for some kind of paid content subscription or pay wall plan, in many cases opting for the metered model that allows a certain number of free visits before requiring users to pay. (The trend has also spread beyond newspapers, as highlighted by popular blogger Andrew Sullivan’s recent decision to attach a fee to his site, The Dish.) With digital ad revenue growing at an anemic 3% a year in the newspaper industry, digital subscriptions are seen as an increasingly vital component of any new business model for journalism—though, in most cases, they fall far short of actually replacing the revenue lost in advertising. Thanks in good part to its two-year-old digital subscription program, The New York Times reports that its circulation revenue now exceeds its advertising revenue, a sea change from the traditional revenue split of as much as 80% advertising dollars to 20% circulation dollars. Going forward, many news executives believe that a new business model will emerge in which the mix between advertising and circulation revenue will be close to equal, most likely with a third leg of new revenues that are not tied directly to the news product. The rise of digital paid content could also have a positive impact on the quality of journalism as news organizations strive to produce unique and high-quality content that the public believes is worth paying for. That goal is in keeping with the philosophy of Clark Gilbert, the chief executive of the Deseret News Publishing Company and digital innovator. A staunch advocate of news organizations focusing editorial muscle in key areas where they can bring real value and distinction, Gilbert told the Pew Research Center that in the digital age, news outlets have to be differentiated. “Invest where you can be the best in the world,” he explained.

**While the first and hardest-hit industry, newspapers, remains in the spotlight, local TV finds itself newly vulnerable.** Local TV audiences were down across every key time slot and across all networks in 2012. And the off-peak news hours like 4:30 a.m. that stations had been adding for years seem to have hit their audience ceiling. While local TV remains a top news source for Americans, the percentage is dropping—and dropping sharply among younger generations. Regular local TV viewership among adults under 30 fell from 42% in 2006 to just 28% in 2012, according to Pew Research survey data. What’s more, the topics people go there for most—weather and breaking news (and to a lesser extent traffic)—are ripe for replacement by any number of web- and mobile-based outlets. While many stations ramped up their digital news offerings in the past year, they are late to the digital game. Advertising revenues were up for the year, but that was largely due to a windfall of $2.9 billion in political advertising revenue, something
that cannot be replicated in non-election years. Over all, average revenue for news-producing stations declined by more than a third (36%) from 2006 to 2011.

**Hearing about things in the news from friends and family, whether via social media or actual word of mouth, leads to deeper news consumption.** A majority of Americans seek out a full news story after hearing about an event or issue from friends and family, a new Pew Research survey released here finds. For nearly three-quarters of adults (72%), the most common way to get news from friends and family is by having someone talk to them—either in person or over the phone. And among that group, close to two-thirds (63%) somewhat or very often seek out a news story about that event or issue. Social networking is now a part of this process as well: 15% of U.S. adults get most of their news from friends and family this way, and the vast majority of them (77%) follow links to full news stories. Among 18-to-29 year-olds, the percentage that primarily relies on social media for this kind of news already reaches nearly one-quarter. And the growing practice of dual-screening major news events adds more opportunity to share news electronically. Friends and family are still just one part of most consumers’ news diets—and a smaller part than going directly to news outlet themselves, as an earlier Pew Research study revealed.

**Key Findings**

**Digital Developments**

**Digital News Consumption:** The clearest pattern of news audience growth in 2012 came on digital platforms, and the proliferation of digital devices in peoples’ lives seemed to be a big part of the reason.

In 2012, total traffic to the top 25 news sites increased 7.2%, according to comScore. And according to Pew Research data, 39% of respondents got news online or from a mobile device “yesterday,” up from 34% in 2010, when the survey was last conducted.¹

Some 31% of adults owned a tablet computer as of 2013, almost four times the share recorded in May 2011. Pew Research also found that web-enabled smartphones are even more widespread: As of December 2012, about 45% of adults owned a smartphone, up from 35% in May 2011.

Accessing news is one of the most popular uses for the devices, enabling Americans to get news whenever they want and wherever they might be. An August 2012 Pew Research study found that fully 64% of tablet owners say they get news on their devices weekly; 37% reported they do so daily. The trend is nearly identical for smartphone owners - 62% said they consume news on their device weekly, and 36% do so daily.

When it comes to news people hear from friends and family, social media are playing a growing role, especially among young people, according to a Pew Research survey released in this year’s report, though it is still far from replacing traditional word of mouth. Nearly three-quarters, 72%, say the most common way they hear about news events from family and friends is by talking in person or over the phone. But 15% get most news from family and friends through social media sites. And it rises to nearly a quarter among 18-to-25-year-olds. Seven percent do so via e-mail. Either way, the vast majority say they then seek out news stories to learn more.
**Digital Economics:** Overall digital advertising grew 17% in 2012 to $37.3 billion, according to eMarketer. Digital advertising makes up around 23% of the total U.S. advertising market, up from 20% in 2011. Display advertising (which is made up of banner ads, video, rich media and sponsorships), the main source of digital ad revenue for news, grew 22% to $15 billion in 2012. While display is still the second-largest type of digital advertising, behind search, eMarketer projects that by 2016 display will outpace search. The majority of that digital revenue was scooped up by the powerful stakeholders in the digital arena—companies such as Google and Facebook.

These powerful tech entities are also quickly moving into the mobile realm—and into mobile display. Mobile ads grew 80% in 2012. At $2.6 billion, mobile now accounts for roughly 7% of total digital ad spending. eMarketer projects it will hit 21% by 2016. Mobile display is also growing, but here again, the big tech firms have swooped in. The top six account for 72% of all mobile display. And Facebook, which did not even create its first mobile-only ad feature until the summer of 2012, reported that mobile display accounted for 23% of its ad revenue in the fourth quarter of 2012. The question for news organizations is whether they can carve out a small but competitive space in the digital ad market.

One piece of that market that news can exploit is sponsorship advertising, and in 2012, so-called native advertising (a type of sponsorship ad) made headlines. Though it remains small in dollars, the category’s growth rate is second only to that of video: sponsorship ads rose 38.9%, to $1.56 billion; that followed a jump of 56.1% in 2011. Traditional publications such as The Atlantic and Forbes, as well as digital publications BuzzFeed and Gawker, have relied heavily on native ads to quickly build digital ad revenues, and their use is expected to spread.

**African American Digital Audience:** Social media in particular may offer new opportunities for African American news media, the ethnic media sector studied as a part of this year’s report. While African Americans still access the internet at lower rates than the white population (70% of African Americans say they use the internet, compared to 81% of non-Hispanic whites), those on the internet are more likely than whites and the population over all to use social networks, according to 2012 surveys from Pew Research. For example, 69% of blacks on the internet use Facebook, compared to 65% of non-Hispanic whites and 66% over all. Twitter has similar usage rates (26% of blacks vs. 14% of non-Hispanic whites and 16% overall), as does Instagram (23% of blacks vs. 11% of non-Hispanic whites and 13% over all).

## Audience

The fortunes of some legacy media sectors changed direction somewhat in 2012. The network TV audience gains of a year before seemed to be ephemeral. And local TV ratings saw a steep decline after a stable 2011. Newspapers, on the other hand, managed to stem their circulation losses.
Cable: There were signs in 2012 that there is a ceiling for the cable news audience. Even in a presidential election year, which in the past has played to cable's strengths, total median viewership increased only 1% across the three main news channels to 1.9 million, according to Nielsen Media Research. Daytime viewership increased by 2% and prime-time viewership by 3% over 2011 levels, though the evening audience was smaller than that of 2008, the last presidential election year.

CNN struggled the most, losing 4% of its prime-time audience, with median viewership levels (626,000) little more than half of what they were four years earlier, a problem that incoming CNN Worldwide president Jeff Zucker began working aggressively to repair when he arrived in January 2013. Fox News Channel was flat in prime time at 1.9 million viewers. MSNBC, now consistently the No. 2 news channel, took in 818,000 viewers in a typical evening, up 6%. It also surpassed CNN for the first time in two key ratings metrics—daytime viewership and total day viewership.

Audio: In general, listening to content seems to be as popular as ever and accessible in more formats than ever. But the data suggest that in the broader array of audio platforms news is becoming a smaller piece of the pie. A Pew Research study found that one-third of Americans said they listened to news radio "yesterday," down from more than half of the population in 1990. Drive-time—once the premier domain of terrestrial radio—is becoming overtaken by mobile devices. The number of cellphone owners streaming content into their cars from their phones has nearly tripled in three years, according to Arbitron. Many of the streaming options do not even include the top-of-the-hour news headlines that air on most AM/FM stations.

Public radio also is undergoing transition as more people adopt mobile technologies. NPR again saw a drop in traditional AM/FM audience, but had big gains in mobile during 2012—more than 3 million new downloads of its news apps, according to data provided by the organization.
Magazines: All of the major news magazines saw declining audiences in 2012. According to the Alliance for Audited Media, sales of newsstand copies, the measure most accepted by the industry, plummeted 16% on average for the news magazines, roughly two times the 8.2% decline in newsstand sales that the magazine industry suffered over all. Time was the hardest hit, plummeting 27%. Newsweek, on the other hand, declined just 5% in the final year of its print version. Niche publications also saw declines in 2012: 17% at The Economist, 18% at The Week and 12% at The New Yorker. The Atlantic’s 7% drop looked good only by comparison.

Subscriptions were stable, as they have been in years past. But these are normally kept from declining through discounts or special offers. Time was the only one of the six publications to see a drop (1%), the Alliance for Audited Media found.

When subscriptions and newsstand sales are combined into a single circulation number, Time posted a 1.7% drop in 2012 to just under 3.3 million copies, the greatest drop in the group of news magazines. Newsweek appeared to have stopped its five-year slide, keeping its total circulation at 1.5 million copies. The Atlantic enjoyed the largest percentage gain among the six news magazines in 2012, an increase of almost 5%, to 485,000 copies - though it remains the smallest of the group in total numbers.

Network: The out-of-character ratings gains of 2011 were erased in 2012 for network TV news. In the evening, an average of 22.1 million people watched one of the three commercial broadcast news programs on ABC, CBS or NBC, a 1.9% decrease over the average viewership the year before, according to Nielsen Media Research. CBS Evening News was the one evening news broadcast to increase viewership in 2012, but it was still in third place behind NBC Nightly News and ABC World News.

In the morning, an average of 12.6 million viewers tuned in to a network television news program, a decrease of 4% from 2011. NBC’s Today Show, long the top-watched morning news show, fell into second place in April 2012 when Good Morning America overtook it in viewership. Apart from ABC’s 20/20 and NBC’s Dateline Sunday, all news magazines lost viewers in 2012.

Local TV: Local television news on the air suffered a reversal of fortune in 2012, losing audience in every key time slot, including those hours that gained viewers the year before. The average loss for ABC, CBS, Fox and NBC stations across the three key time slots—morning, early evening and late—was more than 6%.

The nontraditional early-morning news slots grew some but at much smaller rates than a year ago. At 4:30 a.m., viewership increased 13% to 2.6 million, though that was significantly less than the 330% increase the year before. Viewership at 4 a.m. increased by 19% on average, to 200,000. Though these time slots are growing, they attract far fewer viewers than some of the most popular hours for local TV. Late-night news programs, for instance, averaged 24.2 million viewers in 2012.

Newspapers: After years of decline, total daily circulation in 2012 stayed even with 2011, falling only 0.2%, according to an estimate by Rick Edmonds of the Poynter Institute. Much of this is tied to new digital pay plans. Sunday circulation rose 0.6% thanks to more generous audience accounting rules and an industry-wide marketing emphasis on growing Sunday print, the best-read and most profitable paper of the week.
African American: Four of the five audited black newspapers studied here lost circulation in 2012. The New York Amsterdam News was the only one to grow, by 11%, for the six months ending September 2012 compared with the same period the year before. The Afro-American, on the other hand, saw both its Baltimore and Washington editions lose circulation in 2012. The Washington Afro plummeted by almost half, 49%, and the Baltimore Afro declined by 7%. The Chicago Defender, one of the country’s first black-owned newspapers, declined 8% and The Philadelphia Tribune, an even older publication, fell 11% (for its Tuesday edition) in 2012.

African American magazines had a few more bright spots. Johnson Publishing’s Ebony increased 2% in circulation in 2012, while its other magazine, Jet, fell 9% in 2012. Uptown, a magazine geared toward affluent black readers, saw a slight 0.5% dip in its circulation. Black Enterprise, a business magazine, had a circulation increase of 4%.

Economics

Financially, the two legacy print platforms—newspapers and magazines—continued to see revenue declines in 2012, while gains in television mask longer-term challenges. And digital experienced weaker gains than in 2011.

Economics Key Findings

Percentage Change in Ad Revenue, 2011 to 2012

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<th>Digital</th>
<th>Local TV</th>
<th>Cable</th>
<th>Network TV</th>
<th>Audio</th>
<th>Newspapers</th>
<th>Magazines</th>
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<td>2011</td>
<td>16.6%</td>
<td>10.1</td>
<td>5.4</td>
<td>2.4</td>
<td>1.0</td>
<td>-5.9</td>
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<tr>
<td>2012</td>
<td>10.1</td>
<td>5.4</td>
<td>2.4</td>
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Source: SNL Kagan, eMarketer, Veronika Suhler Stevenson, Publishers Information Bureau, Newspaper Association of America and BIA/Kelsey

Note: The magazine number represents ad page figures and not ad dollars.

See endnote 3

Magazines: The print advertising environment for news magazines in 2012 was grim, though for at least some publications, digital ad revenue gained momentum.

Combined ad pages for the six magazines studied in this report were down 10% in 2012, about twice the rate of decline in 2011, according to the Publishers Information Bureau. Hardest hit was The Week, which suffered a 24.5% drop in ad pages. The Atlantic, The Economist and Time all fell about 12%, while The
New Yorker managed to keep its ad pages losses in single digits (6%). Newsweek’s ad pages increased for the first time since 2006 (though they still remained below the 2006 level). At least at The Atlantic, though, strong expectations are being placed on digital. Its president, M. Scott Havens, said that in 2012, digital ad revenues bested print ads for the first time ever.

**Newspapers:** Advertising revenues continued their long slide in 2012, with print revenue dipping under $20 billion, according to figures by the Newspaper Association of America, as well as estimates by Pew Research and the Poynter Institute’s Rick Edmonds. Print ad revenue losses continued to far exceed digital ad gains. The newspaper association figures show that in 2012, for every $16 in print ad revenue lost, only $1 in digital ad revenue was gained. That was even worse than the $10-to-$1 ratio in 2011.

Circulation revenue, though, has remained relatively stable for close to two decades, at around $10 billion in 2011, according to the Newspaper Association of America. Some companies are instituting aggressive newsstand and subscription price increases, losing volume, but adding to circulation revenue.

**Audio:** Election-year advertising dollars kept the AM/FM industry above water in 2012. But this heavy reliance on election spending does not bode well for its overall financial health. News station revenues are not broken out separately, but the total figure speaks to the tenuous health of that sector.

In 2012, total radio revenue in spot, digital and off-air advertising together amounted to $16.5 billion, an increase of 1% over 2011, according to Radio Advertising Bureau. But, even that small gain is deceiving. Spot advertising, which makes up most of overall audio advertising and includes campaign ad buys, held steady at $14.2 billion during 2012, compared with the previous year, according to the Radio Advertising Bureau. In other words, the $124 million in election ad spending offset declines in other sectors, but it won’t be around to do so in 2013. Digital revenues remain the smallest category, but, as in 2011, grew the most, increasing by 8% over the same period of time a year earlier.

**Network:** The three major networks, with their portfolios of entertainment, news and digital properties, experienced some advertising growth in 2012. But the broadcast divisions did not fare nearly as well.

SEC filings show that revenues for ABC’s broadcast arm decreased 4% in its 2012 fiscal year. CBS’s entertainment division experienced a growth of 3% over the calendar year. And NBC’s broadcast arm increased its revenues 4.5% in 2012 (when not including revenues from Olympic and Super Bowl ads). Network news programs are a subset of broadcast overall revenue, and Pew Research estimates that their revenue tracked closely with that of each broadcast arm. While NBC’s Today Show lost in ratings and its newest news magazine floundered in ratings, NBC’s cable news outlets can keep the division aloft. CBS, while having the lowest ratings for both morning and evening news programs compared to the other two networks, is buoyed by its popular prime-time lineup, including the venerable 60 Minutes. And ABC’s success in the morning could influence its future economic outlook. Its first quarter in 2013 showed a strong economic start for the broadcast division.

**Cable:** Revenues rose across the board for cable news channels, though Fox was projected to demonstrate the strongest growth at 11% to $1.8 billion, according to research firm SNL Kagan. MSNBC was up 6% to $443 million. CNN, projected to grow revenues by just 1% to $1.1 billion, seemed to be showing the
financial impact of ratings difficulties. Profits were expected to drop at CNN in 2012, while they were expected to grow for the other two channels.

In years past, subscriber and advertising revenue each tended to account for about half of each channel’s total. That has begun to change. In 2012, CNN was projected to have generated nearly two-thirds of its revenue from subscribers, and a growing portion of its revenue from other sources. Fox and MSNBC are both more reliant on advertising than CNN is.

**Local TV:** A flood of political advertising in a presidential election year and a slowly improving economy boosted revenue for local television stations in 2012. Even-numbered years almost always mean higher revenue for local TV, thanks to political ads and the Olympics. BIA/Kelsey estimated local ad revenue at $19.7 billion, up 10 percent from the year before. Political advertising alone hit a record $2.9 billion, up 38% from 2010 and almost double the $1.5 billion spent on local TV in 2008, according to TVB analysis. Local stations captured over 80% of total political spending on television.

When it comes to digital revenues, the local TV market cooled in 2012, growing just 10%, according to BIA/Kelsey. That is less than half the growth rate of the year before. The typical local TV station makes about 3% of its total revenue from online and mobile ads, according to BIA/Kelsey.

**African American:** Much of the African American newspaper industry struggled financially in 2012. On top of circulation challenges, advertising revenue declines remain a problem. While most of the black press does not report advertising revenue, virtually all of the editors interviewed expressed concerns. Decreased revenue has resulted in staff cuts and reduced publication schedules at many outlets. Several papers even reported that advertisers were not following through with payments.

**Content**

*The Pew Research Center conducted a special study for this year’s edition of the State of the News Media that analyzes changes in the structure and makeup of television news. Following are the highlights of that report.*

**Cable:** The format of daytime cable news has evolved over the last five years to look more like prime-time talk programming. Interview segments are now as prominent in daytime cable as they are in prime time. Coverage of live events and live reports dropped in daytime programming by about one-third—from 33% of the newshole in 2007 to 23% in 2012. And the airtime devoted to interviews—which can cost far less to produce—rose from 39% to 51%, equaling the percentage of airtime they fill on cable at night, when partisan talk and debate drive the programming.

A separate analysis of cable in late 2012 finds that, over all, commentary and opinion are far more prevalent on the air (63% of the airtime) than straight news reporting (37%). CNN is the only channel to offer more reporting (54%) than opinion (46%), though by a small margin. By far the highest percentage of opinion and commentary is on MSNBC (85% to 15% reporting). Fox was in between at 55% commentary and 45% reporting.
Over the years, the three main cable news channels have evolved to become much more similar in programming structure. That marks a major change from 2007 when CNN was distinguished by its emphasis on edited packages and MSNBC spent far more time on interviews than either of its rivals. This convergence occurred after major shifts at all three networks. MSNBC changed its formatting most in prime time, Fox in daytime and CNN changed sharply in both day parts.

**Local TV:** In local television, newscasts in recent years have placed an even greater emphasis on traffic, weather and sports, reduced the number of edited package stories on the air and shortened the lengths of stories—trends that may reflect the economic strains affecting the industry.

One notable change in the construction of the local newscast is a roughly 20% decrease in airtime allotted to packaged stories. According to 2005 data, those packages accounted for 41% of the local television newshole. In 2012, that was down to 33%.

The study suggests that local news has built up a third leg to the two core elements of weather and traffic on local television news. In addition to the more modest increase in the already substantial amount of airtime filled by weather and traffic—from 25% in 2005 to 29% in 2012—the time devoted to sports nearly doubled, from 7% of the newshole in 2005 to 12% in 2012. Thus when sports, traffic and weather are combined, the airtime time devoted to these subjects rose from 32% to 40% of local TV newscasts—a 25% increase. Indeed, Pew Research’s examination of 48 evening and morning newscast in late 2012 and early 2013 found that 20 of them led with a weather report or story.

**Network News:** The one television news platform that seems to be a rock of stability is network news. Despite the steady erosion of the early-evening audience and continuing doomsday predictions about the future, the structure and format of the network newscasts have changed remarkably little since 2007, far less than on cable or local television news.

In 2007, more than three-quarters of the airtime on the nightly newscasts (82%) studied by Pew Research was composed of package reports. Five years later, that percentage had fallen only slightly, to 79%.

Not only was there little change in the reliance on packaged reports, but the length of each of these reports remained remarkably steady. Five years ago, the average package on the evening news lasted 141 seconds. In 2012, that had increased by one second. While a much smaller component of the evening newscast, the length of the average interview dropped only two seconds in the past five years—from 110 in 2007 to 108 in 2012. And the length of an average live stand-up report decreased modestly, from 91 seconds in 2007 to 88 seconds in 2012.

**News Investment**

News investment encompasses everything from newsroom budgets to staffing to journalistic initiatives. For the most part, the message remains one of resource tightening that goes along with smaller budgets.

And a new survey, special to this report, reveals that the public is noticing an impact on the content - and is beginning to abandon certain news outlets. Nearly a third (31%) of U.S. adults have deserted a news outlet because it no longer provides the news and information they had grown accustomed to receiving.
And respondents seem to be noticing erosion in quality of coverage even more than diminishing quantity. Fully 61% said they noticed that stories were less complete compared with 24% who said they noticed fewer stories over all.

Local TV: Staffing levels in the local TV sector were expected to be stable in 2012, perhaps even more so than in 2011, according to a Hofstra University survey. A majority of news directors expected no change in staff size in 2012, while just a third said they anticipated adding more staff, about the same as the year before. And only 2% said they expected to have to cut staff, fewer than the year before.

In programming, more stations began airing news in the very early morning time slots, often a cost-saving move as these extra newscasts require little extra in terms of resources as stories are often repeated. Even so, audience data suggest there may be a limit to the gains that can be found here. Early-morning news was on the air in 113 markets, up from 104 in 2011, according to Nielsen data. The number of stations airing news at 4:30 a.m. was up 14% in 2012 to 245, from 215 in 2011.

Cable: Each of the three main news channels was projected to spend more on the news in 2012, continuing a long and steady upward trajectory that on some level reflects the relative stability of the cable revenue model. Fox continued to outpace the other channels in total spending at an estimated $820 million, up 11% from 2011, according to SNL Kagan. CNN, though no longer the leader, has nearly kept pace with Fox. It was projected to increase expenditures by 5% to $682 million. And MSNBC, which shares newsgathering operations with the wider NBC News, was projected to have spent $240 million, an increase of 8%.

There were some staffing cutbacks at CNN and Bloomberg TV, mostly impacting producers and editors. And while there were several bureau closures and openings, the total number of news bureaus affiliated with cable news channels did not change in 2012. The greater change may be in the format and the reporting as discussed in the content section of this report.

Magazines: Faced with that difficult advertising climate, magazines cut jobs aggressively in 2012. Employment at U.S. magazines fell 4%, more than twice the 1.7% decline in 2011, according to Advertising Age’s analysis of recent Bureau of Labor Statistics data.

Perhaps the most salient illustration within the news genre is Newsweek. After the weekly news magazine announced the end of its print edition, its boss, Tina Brown, proceeded to another round of layoffs following those of 2011, leaving only a skeleton staff to put out The Daily Beast and the digital version of the magazine. Other senior staffers, such as managing editor Tom Watson and features editor David Jefferson, also left. Andrew Sullivan, the prolific blogger, announced in January 2012 that he was separating from Newsweek to set up his own paying site.

In January 2013, Time Inc. cut 500 jobs—nearly 6% of its global staff—as part of a mandate from Time Warner CEO Jeff Bewkes to shave $100 million from the publishing unit’s annual costs.

Newspapers: With ad revenues 60% of what they were a decade ago, papers have continued to reduce traditional newsroom staff, while expanding only modestly on the digital side. A few have also cut print frequency to three times a week. Employment of full-time professional editorial staff peaked at 56,900 in
By the end of 2011, the last year for which data are available, employment had fallen 2.4% from the year before, according to the American Society of News Editors. When figures for 2012 are compiled, newsroom workforce will likely be below 40,000.

Controlling costs, while trying to minimize damage to news reporting and other essential functions, remained a critical component of managing newspapers for profitability in 2012. The industry’s contraction leaves behind excess capacity and other legacy costs to address. Some newspapers are farming out printing jobs, others selling headquarter buildings in favor of smaller offices, and many dealing with underfunded pension plans. Some metro papers continue to voluntarily drop circulation in regions far from their core delivery zone, since delivering far is expensive and yields little revenue.

**Network:** While all three networks with news divisions went through staffing and management changes, the shifts were most significant at NBC. In June 2012, Savannah Guthrie replaced co-anchor Ann Curry on the Today Show. And NBC News division president Steve Capus left the company in early 2013 after significant restructuring there.

ABC shuffled staff in 2012 and introduced some new programming. As a trial, Good Afternoon America aired for nine weeks starting in April 2012. Some of the more significant staff changes at the network involved journalists who made the jump from broadcast to cable. In 2012, White House correspondent Jake Tapper and 20/20 co-anchor Chris Cuomo both left for CNN.

And on CBS, a new morning show rolled out, resulting in a number of personnel changes. CBS This Morning debuted with co-anchors Charlie Rose, Gayle King and Erica Hill in January 2012. In August, CBS pulled Hill from the anchor desk and put the network’s chief White House correspondent, Norah O’Donnell, in her place.

**Audio:** The number of radio stations that categorize themselves as all-news is small, but stable. According to Arbitron’s latest available data (2011), 37 stations self-identified as all-news, up from 30 in 2009.

While NPR lost on-air listeners and Web traffic in 2012, the organization’s audience data suggest that NPR’s investment outside of traditional AM/FM radio may yet pay off. NPR created a special news app team to figure out how to make the organization’s reports more interactive and data-driven. Its news apps attracted 3.4 million visitors on average per month in 2012.

**African American:** African American newspapers continued to face economic constraints, and in sectors where there was growth, little of it was news-based. The Chicago Defender cut back from four days a week to one day a week in 2008. Then, in October 2011, it laid off its only two editors left. It later hired back one of those editors in 2012. The Afro-American cut back its operations to four days a week in 2010 and chose to not rehire for positions where staff members left. Tied to these financial challenges, the number of pages in the Afro has been on the decline: The Afro papers ran 28 to 32 pages on average in 2008 and are now down to about 16 to 20 pages.

On television, several new channels emerged in 2012 geared toward a black audience—but little or none of their content was news-related. Despite the fact that almost 7 out of 10 African Americans said they watched television news “yesterday” in a Pew Research survey, little black-oriented news programming is
available on TV. In 2012, BET launched a new news program and it and TV One both aired special election-related programming. But of the several new cable and multicast channels that went on the air in 2012, none provided much in the way of news.

Ownership

The year 2012 was one of consolidation in the TV sector, impacting local, network and cable television news. And a number of newspapers and magazines changed hands over the course of the year, though the dollar amounts of those deals tended to be smaller than in years past.

Local TV: In 2012, some big owners of TV stations got bigger. Sinclair, which already owned the most local stations of any group, acquired six more from Newport Television for $412 million. The No. 2 ownership group, LIN Media, paid $330 million for 13 New Vision stations. And Nexstar jumped to third place, picking up a total of 17 stations from two sellers. Large single-station sales were the exception in 2012. In the only deal of note, Landmark Media sold its station in Nashville, CBS affiliate WTFV, to Journal Communications for $215 million. Nevertheless, several station groups were exploring sales early in 2013. Fisher Communications, Barrington Broadcasting and the Communications Corporation of America, with a total of 70 stations, were reported to be on the block.

Network: Comcast continued to consolidate its control over NBCUniversal. In February 2013, the cable giant bought General Electric’s 49% stake in NBCU—which includes the network news division along with cable properties such as MSNBC and CNBC—about a year earlier than industry experts had expected. This means that Comcast is the sole owner of NBC, instead of just owning a majority of the network.

The move by Comcast echoed its July 2012 purchase of Microsoft’s stake in MSNBC.com to give Comcast sole ownership. In a coinciding branding shift, MSNBC.com became NBCNews.com, and in early 2013, MSNBC.com re-emerged as a site just for the cable channel. Comcast now owns the entire digital business of NBC News.

Cable: Aside from the structural changes at MSNBC brought about by Comcast, the most significant ownership development in cable news came when Rupert Murdoch announced in December that his company, News Corp., would split into two entities. The move effectively quarantined the struggling publishing properties under the company’s old name, while showcasing its cable and broadcasting entities—including Fox News Channel and Fox Business Network—under the new name, Fox Group.

And in January 2013, the Qatar-based news organization Al Jazeera purchased the struggling domestic news channel Current TV for $500 million in an effort to establish its brand on U.S. cable. The sale marked the end of attempts by Current owners to gain traction with audiences by occupying an editorial niche to the left of MSNBC.

Magazines: In mid-February 2013, Time Warner entered discussions to sell the majority of its magazine unit to Meredith, not including its flagship title, Time. In March 2013, Time Warner announced it would spin off Time Inc. into a separate publicly traded company, ending its negotiations with Meredith.
In the consumer magazines sector, 43 acquisitions were announced, according to the Jordan, Edmiston Group, compared to 32 in 2011. However, the total value of these acquisitions—mostly small publishing companies and individual magazines—was only $277 million, compared with $3.2 billion the year before.

**Newspapers:** Although the prices are low, newspapers coming onto the market are finding buyers. Most notably in 2012, influential value investor Warren Buffett bought his hometown paper, The Omaha World Herald, all of Media General’s 63 dailies and weeklies (except for The Tampa Tribune and its weeklies), and, in early 2013, several more. Buffett is leading a swing of informed opinion coming to the view that, especially at mid-sized and smaller papers, print editions have legs, and those organizations can stay profitable. Real estate mogul Douglas Manchester bought The San Diego Union Tribune and has used its editorial and news columns to espouse a conservative, pro-development agenda. In July, Aaron Kushner, a former greeting card executive, bought The Orange County Register in California and six other Freedom Communications papers. A local investor group completed acquisition of The Philadelphia Inquirer and The Philadelphia Daily News for $55 million in April. That gave the papers its fifth owner in six years and the sales price was about a tenth of what another local group headed by Brian Tierney had paid in 2006.

**Endnotes**

1. The 39% figure refers to people who got news online or on mobile devices in 2012. The 34% figure from 2010 does not include mobile devices.

2. The **cable** figure is based on PEJ’s analysis of Nielsen Media Research data. It represents the combined median total day viewership (individuals 2 and older) of CNN, MSNBC and Fox News. The **online** figure is based on PEJ’s analysis of the top 25 news sites from comScore. It represents the total unique visitors to the top 25 news websites based on U.S. traffic from 2012 compared to 2011. The **network** figure is based on PEJ’s analysis of Nielsen Media Research data. It represents the mean evening news viewership (individuals 2 and older) of NBC, CBS and ABC. The **local TV** figure is based on PEJ’s analysis of Nielsen Media Research data. It represents the average morning news (5-7 a.m. E.T.), early evening news (5-7 p.m. E.T.) and late evening news (11-11:30 p.m. E.T.) combined viewership (individuals over the age of 2) for ABC, CBS, Fox and NBC affiliates (for the four sweeps measured, February, May, July, November). The **magazine** figure is based PEJ’s analysis of circulation data provided by the Alliance for Audited Media. It represents the average overall circulation full year of 2012, compared to 2011, for six news magazines studied by PEJ: Time, Newsweek, The Economist, The Atlantic, The Week, and the New Yorker. The **newspaper** figure is based on estimates from the Poynter Institute’s Rick Edmonds, based on data from the Alliance for Audited Media. This year’s figure represents average circulation for U.S. newspapers during a six-month period ending September 30, 2012 compared to the year before. The **audio** figure is based on survey data from Arbitron. It represents the percent of Americans age 12 or older who said they use or own an AM/FM radio in January 2012.

3. **Cable** figures are based on estimated combined ad revenues for CNN, Fox News Channel and MSNBC for 2011 and 2012, provided by SNL Kagan, a division of SNL Financial LLC. **Online** figures are total online ad revenues, from January to September 2012, compared with the same period in 2011, provided by eMarketer. **Network** figures are based on revenue estimates for network television ads for 2012, compared
with the same period in 2011, provided by Veronis Suhler Stevenson. Radio figures are based on revenues from AM/FM, satellite and online and mobile platforms as estimated for January 2012 to December 2012, compared to the previous year, from Veronis Suhler Stevenson. Magazine figures are based on ad pages sold in 2012—not revenue—provided by the Publishers Information Bureau for six news magazines: Time, Newsweek, The Economist, The Atlantic, The Week, and The New Yorker. Newspaper data are from the Newspaper Association of America, with fourth quarter 2012 estimates by the Poynter Institute’s Rick Edmonds and Pew Research Center. The number includes both print and online newspaper advertising revenue. Local TV figures are based on revenue estimates for local and national spot advertising on local TV for the full year of 2012, compared with the same period in 2011, provided by BIA/Kelsey.

See end of document for executive summary.
2013 STATE OF THE

News Media: The Challenges Intensify

There are all sorts of contributors in the evolving landscape of news and, in many ways, more opportunities for citizens to access information. But there are more signs than ever that the reduced reporting power in the news industry is having an effect and may weaken both the industry’s capacity to produce in-depth journalism and its credibility with the public at the same time that others are gaining more voice.

TV Audiences Stagnate Even in Election Year

Local TV audiences were down across every key time slot in 2012.

6.5%

average loss for local affiliates of the four major networks.

Off-peak news hours like 4:00 and 4:30 a.m. stations that had been adding audience seem to have hit their ceiling.

Cable News Sees Minimal Growth

Cable news saw a minimal increase in total viewership (1%) and prime-time news (3%).
Prime-Time Median Viewership by Brand

Number of viewers in thousands

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN</td>
<td>654.5</td>
<td>626</td>
</tr>
<tr>
<td>MSNBC</td>
<td>773</td>
<td>818</td>
</tr>
</tbody>
</table>

CNN down 4%  
MSNBC up 6%

MSNBC was the only one of the three to grow prime-time median viewership in 2012 (6%), while CNN saw a decline of 4%.

Newspaper Circulation Holds Steady

After years of decline, total daily circulation stayed even in 2012 and Sunday actually grew. Much was tied to new digital pay plans as well as more lenient accounting rules.

Total Daily and Sunday Circulation
Circulation in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Daily</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>48.8</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>45.2</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>44.3</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>45.2</td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: Editor & Publisher Yearbook, 2010 and 2012 figures are estimates by Rick Edmonds of Poynter and Emily Guskin of Pew Research Center based on the period ending September 30, 2011. Figure is Newspaper Association of America data extrapolated from Alliance for Audited Media.

Losing Out on New Digital Ad Revenue

Just as news organizations found themselves squeezed out of the first wave of digital ad revenues, the two areas that seemed to bring promise even a year ago now seem already to be moving outside the reach of news: mobile and local.
$2.6 billion
Total advertising revenue for mobile devices in 2012, 80% growth over 2011. Of that, however, only one ad segment is available to news: display.

72%
Of the total market for digital mobile display advertising goes to only six companies.

Mobile Digital Display Advertising Market by Brand

- $226,400,000 Pandora
- $203,000,000 Google
- $129,700,000 Twitter
- $84,100,000 Millennial Media
- $75,100,000 Apple iAds
- $72,700,000 Facebook
- $313,600,000 All other companies

Local Digital Advertising
Local digital advertising (a key segment for local news outlets) also saw growth in 2012.

Total Local Digital Advertising Revenue
in millions of dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>13.37</td>
</tr>
<tr>
<td>2012</td>
<td>13.57</td>
</tr>
<tr>
<td>2013</td>
<td>16.42</td>
</tr>
</tbody>
</table>

The Problem for Local News Outlets
Two forces may divert much of the digital advertising revenue away from local news:

- Improved targeting allows more national ad buys.
- Google and Facebook show improvement in their ability to measure impact.

Improved targeting allows more national ad buys. Google and Facebook show improvement in their ability to measure impact.
Digital Pay Plans Take Root

Digital pay plans appear to be working not just at The News York Times, but at small and mid-sized papers.

450 daily newspapers out of the 1,380 in the U.S. have or plan to adopt paywalls for content.

$10 billion total print and digital newspaper revenues in 2011. This is a combination of digital pay plans and higher print price.

Some of America’s Largest Newspaper Company’s See Growth with Pay Walls

Gannett, Lee Newspapers, and the New York Times have all incorporated a digital-only subscription into their circulation options for customers.

Gannett

1/3 of publishing revenue now comes from circulation

46 thousand digital-only subscribers for all 80 newspapers

Lee Newspapers

25% of all revenues that come from circulation

4% year-to-year gain in circulation revenue

The New York Times

640 thousand digital subscribers

Circulation now accounts for a greater portion of revenues than advertising.

Reporting Power Diminishes in Tough Economy

Newsroom cutbacks add up to an industry, more undermanned and unprepared to uncover stories, dig deep into emerging stories or to question information put into its hands. At the same time, those making the news or with a message to sell are more equipped than ever.
Newspaper Newsroom Workforce Continues Its Decline
Total number of newsroom workers in thousands

-30%
Percent decline of newsroom staff since 2000, according to 2012 estimates. The industry dipped below 40,000 full-time professionals for the first time since 1978.

The Changing Makeup of Local News

40%
of local TV newscasts studied consist of sports, weather and traffic reports.

Less Local News Coverage of Crime and Politics, More of Business and Disasters
Percent of broadcast

<table>
<thead>
<tr>
<th>Category</th>
<th>2005</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crime &amp; trials</td>
<td>17%</td>
<td>29%</td>
</tr>
<tr>
<td>Accidents &amp; bizarre</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Traffic &amp; weather</td>
<td>29%</td>
<td>3</td>
</tr>
<tr>
<td>Business &amp; economy</td>
<td>25</td>
<td>8</td>
</tr>
<tr>
<td>Human interest</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Foreign affairs</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>Politics &amp; government</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Science &amp; tech</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>Health</td>
<td>7</td>
<td>&lt;1</td>
</tr>
</tbody>
</table>

NOTE: Data represent May 11, 2005 and three days in late 2012, early 2013.

Programming Shifts in Cable News

Evening Cable Programming Devoted to Edited Packages
Percent of news broadcast

50
49
43
Public Notices Effects of Newsroom Cutbacks

Percentage of U.S. adults who have heard... about the news industry’s financial struggles

- 60% of the American public have heard little or nothing about the news industry’s financial struggles.
- 31% of Americans have stopped tuning to a news outlet because it no longer provides them with the news they were accustomed to getting.

Who is More Likely to Have Left a News Outlet?

- Gender:
  - 28% Female
  - 34%

- Age:
  - 27% 18-29
  - 29% 30-49

- Political Party:
  - 33% Republican
  - 26% Democrat
SOURCES: Nielsen Media Research, used under license; Pew Research Center 2012 News Consumption Survey; Newspaper Association of America.
Cloud icon designed by Adam Whitcroft from The Noun Project.

These are findings from the tenth annual State of the News Media report, which examines the health and status of American journalism. This year’s report includes a comprehensive look at the main sectors of media, special reports on the public’s perception of the financial struggles of the news business, how television news content has changed in the last five years, how people get news from friends and family and a video on the media and campaign 2012.

Produced by the Pew Research Center’s Project Excellence in Journalism
www.stateofthenewsmedia.org | www.journalism.org
Special Reports

- **Citing Reduced Quality, Many Americans Abandon News Outlets:** How much has the public heard about news the industry’s financial struggles and have they responded by leaving news outlets they used to rely on?

- **Friends and Family-Important Drivers of News:** The survey reveals how people hear about news events from friends and family—word of mouth versus social media, the degree to which it drives news consumption and how younger people stand out.

- **Video:** Lessons Learned about the Media from Campaign 2012

- **The Changing TV News Landscape:** On local TV, the report finds even more traffic, weather and sports - while government coverage is down sharply. Daytime cable news has come to resemble primetime. Amid the shifts at each of the three cable news channels, one emerges far more opinionated overall than the others.

### The Changing TV News Landscape

*by Mark Jurkowitz, Paul Hitlin, Amy Mitchell, Laura Santhanam, Steve Adams, Monica Anderson and Nancy Vogt of Pew Research Center*

The news programs that Americans watch on national cable channels and their local television stations have changed significantly in recent years while the network evening newscasts have remained remarkably stable, according to a new study from the Pew Research Center.

On cable, the news structure of the three channels—the mix of interviews, packaged segments and live coverage—has changed. After relying on significantly distinct formats five years ago, the three rivals now look strikingly similar.

At the same time, some of the differences that demarcated daytime cable from prime time have also eroded in the past five years. Traditionally known for its attention to breaking news, daytime cable’s cuts in live event coverage and its growing reliance on interviews suggest it may be moving more toward the talk-oriented evening shows. This transition may cut the costs of having a crew and correspondent provide live event coverage.

CNN, which has branded itself around reporting resources and reach, cut back between 2007 and 2012 on two areas tied to that brand—in-depth story packages and live event coverage. Even so, CNN is the only one of the three big cable news channels to produce more straight reporting than commentary over all. At the other end of that spectrum lies MSNBC, where opinion fills a full 85% of the channel’s airtime.¹
In local television, newscasts in recent years have placed an even greater emphasis on traffic, weather and sports, reduced the number of edited package stories on the air and shortened the lengths of stories, trends that may reflect the economic strains affecting the industry.

With younger people tuning out local newscasts, there is growing concern that local TV news may be facing some of the financial challenges that have already battered the newspaper industry. And even as local TV newscasts seem to be doubling down on sports, traffic and weather, there are an ever increasing number of digital sources outside of television that provide that kind of information on demand.

The one television news platform that seems to be a rock of stability is network news. Despite the steady erosion of the early evening audience and continuing doomsday predictions about the future, the structure and format of the network newscasts have changed remarkably little since 2007, far less than on cable or local television news.

One change in content appears to be ABC’s growing tendency toward lifestyle subjects, contrasted with CBS’s movement the other way, toward more hard news. But for viewers, the most obvious difference between network news in 2007 and 2012 may be two new evening anchors, Diane Sawyer and Scott Pelley, sitting in the studios of ABC and CBS, respectively.

These findings are part of a broader examination of whether and how the structure of television news content—on cable, on broadcast network newscasts and on local television—has changed in the past few years. Pew Research studied the first five months of 2007 and 2012 for network and cable news, including both morning and evening network news and a mixture of midday and prime-time programming on cable. For local television, the comparative years are 2005 and 2012, for six stations in 2005 and eight in 2012.
Among the key findings:

- Interview segments are now as prominent in daytime cable as they are in prime time. Coverage of live events and live reports dropped in daytime programming by about one-third—from 33% of the newshole in 2007 to 23% in 2012. And the airtime devoted to interviews rose from 39% to 51%, equaling the percentage of airtime they fill on cable at night, when partisan talk and debate drive the programming.

- In 2007, CNN spent far less time airing interviews and far more time running edited packages than either Fox or MSNBC on prime time. But that had changed markedly by 2012. The percentage of CNN evening programming filled with interviews jumped from 30% in 2007 to 57% in 2012. At the same time, the airtime for edited packages plunged from 50% to 24%.

- A separate analysis of cable in late 2012 finds that, over all, commentary and opinion are far more prevalent on the air throughout the day (63% of the airtime) than straight news reporting (37%). CNN is the only channel to offer more reporting (54%) than opinion (46%), though by a small margin. By far the highest percentage of opinion and commentary is on MSNBC (85% to 15% reporting). Fox was in between at 55% commentary and 45% reporting.

- The average story length on local television news decreased substantially over time. In a separate Pew Research Center analysis of local news content from 1998 to 2002, some 31% of the stories were more than a minute long and 42% were under 30 seconds. In 2012, only 20% of the local television stories exceeded a minute while 50% lasted less than 30 seconds.

- The already considerable amount of time devoted to sports, weather and traffic on local newscasts rose even higher in the snapshot of stations studied, from 32% 2005 to 40% in 2012. The biggest increase came in the airtime devoted to sports, to 12% from 7%. The traffic and weather components of the newscast increased by a smaller percentage (to 29% from 25%), but four in ten of the newscasts examined here led with a weather story.

- One measure of the unchanging nature of the broadcast network news format, particularly in the evening, is the story length. The average evening news story package lasted 141 seconds in 2007 and 142 seconds in 2012. The average interview was nearly identical as well: 110 seconds in 2007 and 108 in 2012. And the time allotted to the average stand-up report decreased only slightly, from 91 seconds to 88 seconds, in that five-year interval.

About This Study

For the historical data regarding the three cable news stations (CNN, Fox News and MSNBC), a large sample of weekday programming was examined during the first five months of 2007 and 2012. That sample included a half-hour sample of afternoon programming (2:00-2:30 p.m. Eastern Time) along with the first 30 minutes of many of the general news-focused programs during the evening hours. In order to make sure the half-hour sampling of afternoon cable news was representative of daytime cable news, Pew Research examined an additional three full days of cable in late 2012. The data from those three days suggest that the 2:00-2:30 p.m. time slot is representative of daytime programming in general.
For the first five months of 2012, Pew Research analyzed 6,472 stories over the course of 267 hours of cable programming (not including commercials or previews.) In 2007, Pew Research coded 9,655 stories over the course of 377 hours. When that is combined with the three-days of coding in late 2012, Pew Research analyzed a total of 711 hours of cable news, excluding commercials and previews.

For local television news, the comparison was primarily between 2005 and 2012 with some analysis from 1998-2002. Data from 2005 came from a previous Pew Research project called A Day in the Life of Media, which examined 24 newscasts from three markets (Milwaukee, Houston and Bend, Ore) from one day, May 11, 2005. From 1998 through 2002, the Project undertook an examination of local news in 15-20 markets a year, 154 stations. Those findings are used for certain comparative elements to 2012 such as story length. For data from 2012, Pew Research examined eight stations - two each from four markets - over three days in late 2012 and early 2013. The same three markets used in 2005 were included, along with a fourth market, Pittsburgh, which was added to increase diversity. The two top-rated stations from each market were chosen based on Pew Research’s analysis of Nielsen Media Research data from all four sweep periods. One morning and one evening program from each station was identified. The times examined for all stations were 6:00-6:30 a.m. local time and either 10:00-10:30 p.m. local time or 11:00-11:30 pm local time, depending on what each station offered.

The 2012 local television news sample included 24 broadcasts, 1,055 stories and more than 15 hours of news programming (excluding commercials and previews). In 2005, the sample included 908 stories over almost 11 hours of programming. The 1998-2002 sample featured 154 stations and 33,911 stories over 1,200 hours of programming.

For network television news, Pew Research studied the first five months of 2007 and the first five months of 2012 on ABC, CBS and NBC along with the evening news program on PBS. The sample included the first 30 minutes of each of the three weekday commercial morning shows and entirety of the weekday commercial evening broadcasts. For PBS’s evening program, the first 30 minutes were included. The five-month 2012 sample of January through May included 4,942 stories over the course of 134 hours (excluding commercials and previews). The 2007 sample included 8,841 stories and 247 hours. Combined that accounted for 381 hours of network news programming.

**Cable News: CNN, MSNBC and Fox Evolve**

In 2012, the programming formats at the three cable news channels looked remarkably similar, a major change from 2007 when CNN was distinguished by its emphasis on edited packages and MSNBC spent far more time on interviews than either of its rivals.

This convergence occurred after major shifts at all three networks. MSNBC changed its formatting most in prime time, Fox in daytime and CNN changed in both day parts.

In prime time, MSNBC made the key decision to reprogram itself as a liberal counterweigh to the Fox News Channel’s conservative nighttime lineup. The new MSNBC strategy and lineup were accompanied by a substantial cut in interview time and sharply increased airtime devoted to edited packages. But those packages are not what many would consider traditional produced pieces.
A separate Pew Research examination of programming in December 2012 found MSNBC by far the most opinionated of the three networks, with nearly 90% of its primetime coverage coming in the form of opinion or commentary. And that remains the case with many of its packaged segments. Host Rachel Maddow, for example, often begins her show with a lengthy segment combining a monologue with video clips that can last for seven minutes or longer.

At CNN, three staples of its often fluid evening lineup in 2007—Lou Dobbs, Paula Zahn and Larry King—are no longer there. Under CNN’s new president, Jeff Zucker, who took over in January 2013, the prime-time lineup could well shift again. But in the meantime, the network traditionally known for its emphasis on reporting resources and breaking news coverage has changed to become more like its rivals.

Between 2007 and 2012, the channel nearly doubled the percentage of airtime devoted to interviews, while almost halving the airtime allotted for story packages. In addition, coverage of live breaking events during the daytime hours was cut by more than half.

Fox, the long-time ratings leader, instituted little change in prime time over the past five years, either in personnel or programming structure. In the daytime programming examined, however, the network all but removed coverage of live news events, and increased both packaged segments and interview segments.

**Cable News: Comparisons by Day**

The format of daytime cable news has been transformed from 2007 to 2012. While MSNBC did see some uptick in live coverage during the day, the big decreases in that format at CNN and Fox leave daytime cable, once distinguished by its breaking news and non-ideological coverage, at least in structure, more like its opinion-driven evening counterpart.

The decrease in coverage of live breaking events has been accompanied by a big increase in interviews, which are now as prevalent in the day as in prime time. This shift means that a good deal of on-scene reporting has been replaced with interviews, which, although they may be live, are far less expensive to produce and do not require a correspondent or crew.

Edited packages increased moderately in the daytime, but account for only about one-third as much airtime as the interviews. Both components of live events coverage during the daytime declined over the five-year stretch. Live breaking news was cut in half, from 10% in 2007 to 5% in 2012, and live staff
reports dropped from 23% of the newshole to 18%. Combined, that means a 10 percentage-point drop in the amount of live-oriented daytime coverage that did not take the form of interviews with guests.

Those interviews increased from 39% in 2007 to 51% in 2012, representing an outright majority of the daytime programming. The percentage of newshole, or airtime, devoted to reported packages also increased, from 14% to 19%, but they account for a far smaller portion of the overall coverage. The results of these shifts mean that not only was as much time devoted to interviews on daytime as on prime time in 2012, but also that the once considerable gap between live event coverage in the day and evening has narrowed sharply. In order to ensure that our main sample of daytime coverage was representative, Pew Research also examined five hours of afternoon cable on three days in late 2012.

**Daytime Cable Looked More Like Prime Time in 2012**

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Package</td>
<td>14%</td>
<td>19%</td>
</tr>
<tr>
<td>Interview</td>
<td>34%</td>
<td>30%</td>
</tr>
<tr>
<td>Staff Live</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Live Events</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>48%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Conversely, the format of prime-time cable looks very similar in 2007 and 2012. The percentage of airtime devoted to interviews went up marginally, from 48% to 51% while packaged reports dropped modestly from 34% to 30%. The overall figures, though, mask significant changes at CNN and MSNBC that brought them closer in line with each other.

The next question is whether daytime’s growing similarities in format with prime time brought with it a growing degree of prime time’s opinionated content.

The separate Pew Research analysis of three days of cable coverage in late 2012 finds that the prime-time programming still features the most lopsided ratio of opinion to traditional reporting (70% of the newshole to 30%). But in the midday time slot studied, from noon until 3 p.m., opinion also outweighs straight news by a substantial margin—59% to 41%. In the early-morning programming, from 6 a.m. until 10, commentary also exceeds reporting, but by a slightly smaller margin—56% to 44%.
In prime time, opinion exceeds reporting at all three channels. Not so in the daytime. CNN maintains higher levels of straight reporting in both the morning and mid-day. Fox’s morning programming is a pretty even mix of reporting and opinion, with opinion overtaking reporting in mid-day. At MSNBC, opinion overwhelms reporting in both the morning and at mid-day.

**Comparisons by Cable Channel**

**Fox News**

In terms of programming, the top-rated Fox News Channel has been remarkably stable in prime time. The only personnel changes that occurred in the evening between 2007 and 2012 were Bret Baier replacing Brit Hume at 6 p.m. and the departure of liberal co-host Alan Colmes at 9 p.m., leaving his conservative sparring partner, Sean Hannity, as the sole host of the show.

The format mix also barely budged. Packages remained at about a third of the time (31% in 2007 to 34% in 2012), interviews at just under half (48% to 46%), live events changed little (1% to 3%) and live staff reports stayed exactly the same (7%).

**Little Change in Prime Time on Fox News**

*Evening Programming, Percentage of News hole*

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Package</td>
<td>31%</td>
<td>34%</td>
</tr>
<tr>
<td>Interview</td>
<td>48%</td>
<td>46%</td>
</tr>
<tr>
<td>Staff Live</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Anchor Voice</td>
<td>12%</td>
<td>11%</td>
</tr>
<tr>
<td>Live Event</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Traffic/Weather</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Source:** Pew Research’s News Coverage Index

Note: Data from January-May 2007 and 2012

Daytime, though, was a different story. Coverage of live events plunged from 13% in 2007 to only 1% in 2012, the greatest drop-off in live event coverage of the three top channels. That was countered by a
substantial increase in packaged reports, from 14% in 2007 to 23% in 2012. And as was the case at all three channels, the newshole allotted to interviews in the daytime also jumped, from 39% in 2007 to 52% in 2012.

On Fox Daytime, Live Event Coverage Plunges, Interviews and Packages Increase

Daytime Programming, Percentage of Newshole

Source: Pew Research’s News Coverage Index
Note: Data from January-May 2007 and 2012

MSNBC

Given the current liberal approach at nighttime at MSNBC, it’s hard to remember that back in 2007, the prime-time airwaves were split between liberals (Keith Olbermann and, to a lesser extent, Chris Matthews) and conservatives (Joe Scarborough and Tucker Carlson). Now, Al Sharpton, Rachel Maddow and Ed Schultz are linchpins in an ideologically reconstructed liberal lineup.

In prime time, the biggest change in programming structure at MSNBC was a significant increase in the time devoted to packaged stories and a corresponding decrease in the newshole allotted to interviews. In 2007, packages accounted for only 13% of the MSNBC evening airtime studied; by 2012 it had risen to 31%. At the same time the once-overwhelming dominance of interviews (75%) in 2007 had fallen to 52% in 2012.
Five years ago, MSNBC’s mix of packages and interviews made it an outlier among the three cable networks. The shift reflected in the 2012 numbers puts it much closer to its competitors in terms of format.

**Little Change in Daytime on MSNBC**

Five years ago, the increasing reliance on packaged segments on MSNBC in prime time does not translate into more straight news reporting. For example, host Rachel Maddow often leads her program with a long package filled with her own opinions on a subject. Indeed, the Pew Research analysis of three days of cable coverage in December 2012 finds that opinion and commentary overwhelms straight news—86% to 14%—on
the network’s prime time programs. That is the highest percentage of prime-time opinion of any of the three channels.

<table>
<thead>
<tr>
<th>Cable Interviews and Story Packages Shorten from 2007 to 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Seconds</strong></td>
</tr>
<tr>
<td>Package</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Interview</td>
</tr>
<tr>
<td>Staff Live</td>
</tr>
<tr>
<td>Anchor Voice-over/Tell Story</td>
</tr>
<tr>
<td>Live Event</td>
</tr>
<tr>
<td>All Stories</td>
</tr>
</tbody>
</table>

Source: Pew Research’s News Coverage Index
Note: Data from January-May 2007 and 2012

In the reverse of Fox, the major changes in MSNBC’s prime-time programming stand in stark contrast to the stability in daytime. There the airtime devoted to packages increased slightly, from 5% in 2007 to 6% in 2012. Interviews moved up slightly, from 60% to 65%, while live staff reports stayed exactly the same, at 17%. One area in which MSNBC moved against the larger trend was in a modest increase in live event coverage in the daytime. That accounted for 5% of the newshole in 2007 and increased to 8% five years later.

**CNN**

CNN, which now ranks last among the big three cable channels in both daytime and nighttime viewership, has traditionally been plagued by prime-time programming problems and constantly shifting lineups. Of the current hosts and anchors, only two—Wolf Blitzer and Anderson Cooper—were on the air in 2007. The failure of CNN to solve its nagging prime-time issues has led some observers to assert that in the current cable climate, a channel that chooses not to be overtly liberal or conservative is doomed in the ratings battle.

The arrival of former NBCUniversal CEO Jeff Zucker clearly portends major programming and personnel changes at the network. And some of that has already happened with the hiring of Jake Tapper and Chris Cuomo from ABC and a reported shakeup in the morning show.

But an analysis of CNN content in 2007 and 2012 indicates that before Zucker got there, the channel had already shifted some of its prime-time priorities, most notably by cutting its edited packages in half and roughly doubling the time devoted to interviews. In 2007, interviews in prime time accounted for only 30% of the newshole at CNN, far less than at both Fox and especially at MSNBC. By 2012, that gap had been eliminated as the airtime devoted to interviews nearly doubled, to 57%. Indeed, that is now the highest percentage of interview time on the three channels.
In 2007, edited packages accounted for 50% of CNN’s evening coverage—far ahead of MSNBC and Fox. In 2012, that was nearly halved—to 24% eliminating the gap with its rivals.

In the daytime coverage studied, CNN also doubled the airtime for interviews, from 17% in 2007 to 35% in 2012. Unlike that in prime time, however, the newshole for packages in daytime also increased, from 23% to 28%. But two elements of live daytime coverage plunged at CNN. The newshole for live staff reports dropped from 34% in 2007 to 18% in 2012, while live event coverage decreased from 11% to 5%.
Combined, then, coverage of live daytime events, other than interviews, plunged from 45% of CNN’s daytime lineup five years to 23% in 2012, cutting that programming in half.

**Top Stories in Cable**

It is a challenge comparing the cable news agendas in the first five months of 2007 and 2012 because so much of the coverage is dependent on events. But there are several trends that emerge when looking at some of the biggest cable storylines in both years.

One thing Pew Research has learned from studying cable content is that political topics tend to dominate the news agenda, far more than in the news media over all. In the first part of 2007, two such subjects—the early stages of the 2008 presidential campaign (10% of the newshole) and the Washington Beltway-based partisan policy debate over Iraq war strategy (14%) were the two biggest stories, combining to account for about one-quarter of all the coverage studied.

In the first part of 2012, the presidential campaign overwhelmed ever other topic in the news on cable, accounting for 41% of the newshole. That is about six times as much coverage as the No. 2 story during that time period—the controversy surrounding the shooting of unarmed Florida teen Trayvon Martin (7%).

When looking at coverage by individual cable channel, there are a few patterns that hold true in both 2007 and 2012. One is that MSNBC, which calls itself the “place for politics,” had by far the heaviest emphasis on political coverage, both in 2007 (before the switch to an all liberal prime-time lineup) and in 2012.

For one thing, in 2007, MSNBC devoted the most coverage of any cable channel (22%) to the Iraq policy debate and by far the most coverage (17%) to the 2008 presidential campaign. (Fox was next at 9% in
Two other political stories—the controversy over the public identification of CIA operative Valerie Plame (4%) and the firings of some U.S. attorneys around the country (7%) — received the most attention on MSNBC.

In 2012, MSNBC devoted more than half of all the coverage studied to the presidential campaign (57%). That was much more attention than the campaign received on Fox (37%) and almost twice as much as it got on CNN (30%).

The other network that distinguished itself in certain topic areas was CNN, primarily for its coverage of overseas events. In 2007, CNN’s attention to the fighting and situation in Iraq (7%) was more than double that of either of its competitors.

In 2012, that focus on international stories manifested itself in the most coverage of any cable channel on the continued unrest and bloodshed in the Middle East. That subject accounted for 9% of the CNN newshole, triple the volume of coverage on both Fox and MSNBC.

Looking at the broader categories of coverage, the CNN tendency toward more overseas news remains. In 2007, foreign stories accounted for 30% of CNN’s newshole, compared to 21% on Fox and 25% on MSNBC. Five years later, CNN still had the edge—23% foreign coverage compared to 15% on Fox and only 7% on MSNBC, which if anything, has become even more focused on domestic political stories in the past five years.

Local Television News: Shrinking Pains

The changes in local television news in recent years may reflect some growing economic strains on the industry. In 2012, local affiliates for Fox, ABC, NBC and CBS lost more than 6% of their audience in the important early morning, evening and late night slots. And even with record high spending on political advertising in 2012, ad revenue for local television stations was well below the levels of the last decade.

Some of these problems seem to be manifesting themselves on the content side. When data from 2012 is compared with stations studied in 2005 and earlier, the amount of time devoted to edited story packages has decreased and average story lengths have shortened, signs that there is less in-depth journalism being produced. Traffic, weather and sports—the kind of information now available on demand in a variety of digital platforms—seems to be making up an ever-larger component of the local news menu, according to the stations studied in 2005 and 2012. Coverage of politics and government, meanwhile, was down by more than 50%.

Part of the decrease in edited packages and story lengths may reflect the fact that with local stations continuing to add news programming, particularly in the morning, editorial resources are stretched thinner. In 2011, the last year for which data exist, stations aired a record 5 hours and 30 minutes of local news on weekdays in 2011, or 12 minutes more per week than the previous year.

News Agenda

In a comparison of the topics covered in local news broadcasts studied in 2005 with a sample of newscasts from late 2012 and early 2013, sports, weather and traffic grew to where they now fill 40% of the airtime.
According to a Pew Research survey conducted in 2011, some 58% of adults said they turned first to local TV news for weather. It was also the preferred platform for getting traffic news, although for a much smaller percentage of people. This report suggests that local news has built up a third leg to these two core elements of local television news. In addition to the more modest increase in the already substantial amount of airtime filled by weather and traffic—from 25% in 2005 to 29% in 2012, among the stations studied—the time devoted to sports nearly doubled, from 7% of the newshole in 2005 to 12% in 2012.

Thus, when sports, traffic and weather are combined, the airtime time devoted to these subjects rose from 32% of local TV newscast studied to 40% of local TV newscasts studied—a 25% increase. Indeed, Pew Research’s examination of 48 evening and morning newscasts in late 2012 and early 2013 found that 20 of them (or 42%) led with a weather report or story.

At the same time, several significant areas of local news coverage have diminished.

Crime stories have traditionally been among the largest component of local newscast, but in the two periods studied, there was a marked reduction. In 2005, crime accounted for a full 29% of the newshole. Five years later, that number had fallen to 17%.

The same basic trend was seen in coverage of politics and government. In 2005, those topics accounted for 7% of the airtime studied. By 2012/2013, that coverage had been more than halved—to 3% of the airtime. For some time, television consultants have been advising local television stations that viewers aren’t interested in politics and government, and it appears that advice is being taken.

Over the same time, there has been significant growth in several other topic areas. The airtime devoted to accidents, disasters and unusual events increased from 5% in 2005 to 13% in 2012/2013. One possible reason for that jump is the increased use and sophistication of satellite technology that makes it easy to air compelling or eye-catching video from anywhere in the world. Another is that viewers are often encouraged to share their video of dramatic events.
And given the impact of the deep recession that struck in 2012, coverage of business and the economy almost tripled from 2005 to 2012/2013. In that period, it rose from 3% of the newshole—where it was behind accidents and disasters, politics and government and human interest and lifestyle stories—to 8% of the newshole.

Changes in Format/Programming

One notable change in the construction of the local newscast in the past few years is a roughly 20% decrease in airtime allotted to packaged stories. According to the 2005 data, those packages accounted for 41% of the local television newshole. In 2012, that was down to 33%.

The time allotted to anchor voice-overs slipped modestly from 24% in 2005 to 21% in 2012. The amount of time devoted to interviews was negligible in both 2005 (2%) and 2012 (0%).

Other than the increase in the fixed segments devoted to traffic, sports and weather—the one local news format that has seen growth is the live staff report, which entails sending cameras and reporters to the scene of an event. The airtime devoted to those reports jumped from only 1% in 2005 to 6% in 2012.
Local News: Format by Day Part

Those programming trends in local TV news are evident in both the early morning and late night newscasts studied. In the morning, the time devoted to edited packages dropped from 29% to 19% from 2005 to 2012. The same was true at night, with packages slipping from 58% of the newshole down to 44%.

At the same time, the reliance on traffic and weather segments increased from 33% to 39% in the morning over those seven years and from 15% to 21% at night. Sports coverage has also become an increasingly large component in both time slots. In the morning newscast, coverage doubled from 3% to 6% of the newshole. At night, it rose from 13% to 16%.

Whether local television’s increased reliance on those areas of news will continue to pay dividends as digital news consumption grows, particularly on a range of mobile devices, is a significant question for the industry moving forward.
Another sign that in-depth enterprising reporting is on the downswing in local TV news is the shrinking length of stories over time.

According to an earlier study of local television news from 1998-2002, some 31% of all the stories excluding traffic, sports and weather were more than a minute long while 42% were under 30 seconds in length. In 2012, the percentage of stories over a minute long shrunk to 20% while the percentage of those less than half a minute grew to 50%.

A further breakdown of all the stories examined in 2012 reveals that the story packages—less frequent than before on local TV news—averaged one minute and 15 seconds in length. The average live staff report was 44 seconds and the average anchor voice-over lasted 25 seconds.

Network Television: Steady as She Goes

For years, some pundits and naysayers have been saying that network television news must change substantially in order to alter a grim trajectory. They cite, among other things, an aging demographic, (the average evening news viewer is 53), the loss of half the total audience in the past three decades and the anachronistic idea of appointment news viewing in an era of information on demand. And one area of change has been at the evening anchor desk, where two of three anchors—ABC’s Diane Sawyer and CBS’s Scott Pelley—assumed their jobs in recent years.

But aside from that, network news—and especially the evening newscasts that attract a combined audience of about 22 million Americans each night—has remained an island of stability in an otherwise rapidly transforming media environment. An examination of the format and content of these newscasts in the first half of 2007 and the first half of 2012 finds remarkably few alterations to the network news formula.

Network Comparisons by Day Part

Evening News

By far, the dominant component of the ABC, CBS and NBC evening newscasts is the edited and highly produced package report. And that has not changed in recent years.

In 2007, more than three-quarters of the airtime on the nightly newscasts (82%) studied by Pew Research was composed of package reports. Five years later, that percentage had fallen only slightly, to 79%.
The use of other story formats stayed stable as well, from 2007 to 2012. The biggest shift came in the growing amount of airtime given to anchor voice-overs in 2012 (13%) compared with 2007 (9%).

Not only was there little change in the reliance on packaged reports, but the length of each of these reports remained remarkably steady. Five years ago, the average package on the evening news lasted 141 seconds. In 2012, that had increased by one second. A much smaller component of the evening newscast, the interview, dropped in length by an average of only two seconds in the past five years—from 110 seconds in 2007 to 108 in 2012. And the length of an average live stand-up report decreased modestly, from 91 seconds in 2007 to 88 in 2012.

Because the stories of the network newscasts are dependent on events having just occurred, it is harder to discern patterns in the network news agendas in 2007 and 2012. Last year, for example, the two biggest topics for network news were the presidential election and the economy’s slow recovery from recession. In 2007, there was no recession and the presidential election was in its early phases.

Even so, in other categories less tied to continuing events, there was little substantial change in the amount of coverage from 2007 and 2012. For example, the coverage of government, which does not include political campaigns, accounted for 6% of the evening newshole in both 2007 and 2012. Coverage of crime went up modestly from 7% of the newshole in 2007 to 9% in 2012, and some of that difference might be chalked up to coverage of the shooting of Florida teen Trayvon Martin.

The volume of coverage of softer topics, such as lifestyle and celebrity, was similar in 2007 (9%) and 2012 (7%).
Morning News

While there are significant differences in the evening and morning newscasts, the formats of the networks’ early news shows, like their evening counterparts, have remained remarkably stable in the past five years.

The reliance on packaged stories, which dominate, but not to the degree they do in the evening, changed little. In 2007, they accounted for 51% of the airtime studied compared with 53% in 2012. The amount of time devoted to interviews, the No. 2 component of the morning newscast, diminished only slightly, from 29% to 27%.

**Network Morning Newscasts Largely Unchanged**

*Percentage of News hole*

Compared to the nightly newscasts, there have been bigger shifts in the length of stories and segments on the morning news from 2007 to 2012. Edited packages grew from 137 seconds to 151 seconds in five years. But in two other areas, the lengths have decreased. The average interview lasted 137 seconds in 2012 compared with 176 in 2007 while the time allotted to live staff reports plunged by about 50%—from 104 seconds to 54 seconds.
Comparing the news agendas of the morning shows in 2007 and 2012 reveals some understandable differences. Coverage of elections jumped from 14% of the newshole in 2007 to 24% in an election year. Crime coverage also increased from 9% to 14%, due largely to the extensive coverage of the killing of Florida teen Trayvon Martin, which was the second-biggest storyline for morning news in 2012.

But in other cases, there was little or no distinction between the amounts of coverage devoted to key topics in 2007 and 2012. Attention to business and economics was at 5% in both years; stories about government accounted for 6% in 2007 and 5% five years later. Celebrity and lifestyle coverage dropped from 9% to 6%.

One area where things did change is the amount of time devoted to the news produced by the national broadcast in its first half hour. That rose by more than a minute, from 16 minutes and 47 seconds in 2007 to 17 minutes and 58 seconds in 2012. One reason for that was that all three networks reduced the time allotted to local affiliate cut-ins for news and weather reports.

**Comparisons by Network**

Looking at the format and structure of the evening news on a network basis reinforces the idea that there has been only incremental change.

In 2007, for example, 69% of the overall newshole for ABC's morning and evening shows was filled with edited packages. That increased slightly to 73% in 2012. At NBC, those numbers were virtually the same, 63% versus 64%. And at CBS, there was a modest decrease from 70% to 67%.

One format that saw an across-the-board, albeit small, jump was the amount of time allotted to anchor voice-overs. At ABC, that rose from 10% in 2007 to 11%. At NBC, it increased from 10% to 13% and on CBS, the change was from 7% to 10%.
At the individual network level, there were only small differences in the average length of various story packages. The length of a package dropped slightly at ABC, from 143 seconds to 140 seconds, from 2007 to 2012. But it grew at both CBS (135 to 141) and at NBC (141 to 155). One clear across the board trend was the reduction in length of the average interview from 160 to 116 seconds at ABC, from 158 to 139 at CBS and from 155 to 130 at NBC.

But these changes in story lengths are largely due to shifts in story lengths on the network morning shows. In the evening, there was considerably less change from 2007 to 2012.

Looking at the news agenda by network, we find some topics where there was little change in volume of coverage from 2007 to 2012. When it came to coverage of government, there was a reduction at ABC from 6% to 4%, while the volume remained steady, at 6%, for both CBS and NBC. Attention to health and medical issues also changed little. At ABC, coverage increased from 6% to 7% while dropping slightly at CBS (7% to 6%) and rising slightly at NBC (5% to 6%).

But in other coverage areas, there is evidence of some change in news priorities from 2007 to 2012. At ABC, where observers have noted a growing tendency to focus in on softer news topics, coverage of lifestyle and celebrity stories grew from 7% to 12% from 2007 to 2012. Coverage of crime on the network jumped from 8% to 14%.

Conversely, at CBS, which has publicly declared its interest in focusing on more hard news, the coverage of lifestyle and celebrity topics dropped significantly—falling from 11% in 2007 to 2% in 2012, the least amount of coverage of any of the big three networks.
With its interview-heavy format, the PBS nightly NewsHour newscast is constructed very differently from those of the three commercial networks. But its basic format, too, has changed little from 2007 to 2012.

When considering the first 30 minutes of its broadcast, in 2007, packaged pieces filled 38% of the NewsHour’s airtime and that remained exactly the same five years later. The newshole devoted to interviews did rise modestly from 49% to 54%, and that was accompanied by a decrease in the amount of time spent on anchor voice-overs, which fell from 12% in 2007 to 7% in 2012.

The NewsHour did produce some changes in the lengths of stories from 2007 to 2012. The duration of an average package jumped 44 seconds, but there was a decrease of nearly a minute (55 second) in the average length of the program’s interviews.

The NewsHour’s news agenda also shifted in some significant topic areas from 2007 to 2012. Coverage of government dropped from 11% to 2% while coverage of business and economics jumped from 4% to 14%. Another area of reduction was overseas coverage, which accounted for half the program’s newshole (50%) in 2007, but fell to about one-third (34%) in 2012. At least part of that can be attributed to the fact that the raging debate over U.S. policy in Iraq, and especially President George W. Bush’s surge decision, was a major continuing story in 2007.
1. An individual story was considered commentary or opinion if 25% of the time if that story included opinionated statements. Otherwise, the story was coded for being a factual reported piece.

2. Due to technical limitations, the days studied differed for the various markets. For Milwaukee and Pittsburgh, the days studied were all in 2012 — Monday, November 26; Wednesday, December 5, and Tuesday, December 18. For Houston and Bend, one day was in 2012 while the next two days were in 2013. Those days were Tuesday, December 18; Wednesday, January 2, and Monday, January 7.

3. The study included weekday programming 2:00-2:30 p.m. Eastern time. In order to make sure the half-hour sampling of afternoon was representative of daytime cables news in general, Pew Research examined an additional three full days of cable in late 2012. The data from those three days suggest that the 2:00-2:30 p.m. time slot is representative of general daytime programming.

4. Because the News Coverage Index was purposive sample of media outlets when it was designed in 2007, channels with higher ratings were more heavily represented. Therefore, in the 2007 data, the rotation of shows in the sample included more from Fox News and CNN than from MSNBC. In 2012, the sample changed so that all of the channels were represented the same amount. Click here (http://www.journalism.org/about_news_index/methodology) for a detailed methodology regarding how outlets were selected.

5. From 1998 through 2002, the Pew Research Center’s Project for Excellence in Journalism undertook an exhaustive examination (http://stateofthemedia.org/2004/local-tv-intro/content-analysis/) 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.

Americans Show Signs of Leaving a News Outlet, Citing Less Information

By Jodi Enda and Amy Mitchell of the Pew Research Center

Faced with shrinking revenue and dwindling audiences, news organizations in recent years have slashed staffs and reduced coverage. Most news consumers are little aware of the financial struggles that led to these cuts, a new Pew Research Center survey finds. Nevertheless, a significant percentage of them not only have noticed a difference in the quantity or quality of news, but have stopped reading, watching or listening to a news source because of it.

Nearly one-third—31%—of people say they have deserted a particular news outlet because it no longer provides the news and information they had grown accustomed to, according to the survey of more than 2,000 U.S. adults in early 2013. And those most likely to have walked away are better educated, wealthier and older than those who did not—in other words, they are people who tend to be most prone to consume and pay for news.
The findings represent one more piece of bad news for organizations already laboring to secure their place in the 21st century.

Despite the audience recoil, the majority of people surveyed early this year had heard little or nothing about the financial problems besetting news organizations. The largest group of respondents—36%—said they heard “nothing at all” about the issue and the second largest—24%—said they heard “a little.” That combined total of 60% far overshadows the 39% of people who said they heard “a lot” (17%) or “some” (22%) about the financial woes of the news industry.
While a majority of people don’t sense a connection between the news media’s financial strains and quality reporting, a significant minority do detect a direct connection between the two. Fifty-seven percent of the respondents who had heard at least a little about the financial struggles said they didn’t think the situation had much of an impact on the media’s ability to cover local, national or international news. At the same time, about one-third—35%—said the problems have made it more difficult to cover local news, while a similar 37% said they have made it harder to cover national and international news.

**More than a Third Link Finances to Reporting Power**

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longer provided them with the news and information they relied on.

In other words, people most acutely familiar with the economic struggles are the most likely to lose their patience with a news outlet: 43% of the people who said they heard a lot about the financial troubles stopped turning to a news outlet because they were dissatisfied with what they were getting. That was true of just 20% of those who heard nothing about the problems. Likewise, 45% of the people who said the financial problems made it more difficult for news outlets to cover local, national or foreign news abandoned an outlet, compared to about one-third of those who did not see much of an impact.

<table>
<thead>
<tr>
<th>Percentage of U.S. Adults</th>
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<tbody>
<tr>
<td><strong>Among Those Who Heard...</strong></td>
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<td>Some</td>
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<td>A Little</td>
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<td>Nothing At All</td>
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**Note:** Those who did not respond or answered don’t know are not included here.

PEW RESEARCH CENTER

2013 STATE OF THE NEWS MEDIA

People who said they had forsaken a news outlet were more likely to be men than women, older than younger, richer than poorer and Republican or independent rather than Democratic. While about one-third of Republicans and independents stopped turning to a news outlet, just one-quarter of Democrats did.

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<thead>
<tr>
<th>Percentage of U.S. Adults</th>
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<tbody>
<tr>
<td><strong>Men, Older Generations, Republicans and Independents Are More Likely to Have Left a News Outlet</strong></td>
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<tr>
<th>Percentage</th>
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<td><strong>Gender</strong></td>
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<td>Male</td>
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<td><strong>Party Identification</strong></td>
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<td>Republican</td>
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<tr>
<td>Democrat</td>
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**Note:**

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2013 STATE OF THE NEWS MEDIA

What's more, the primary concern for people who gave up on an outlet seems to be quality. When asked which they noticed more, fewer stories or less complete stories, far more people said the latter (24% to 61%). While reduced thoroughness in stories was the more prevalent response among adults overall who were aware of the struggles, the split was not nearly as wide - 48% versus 31%.
Most Adults Have Heard Little About the Financial Problems

Still, the majority of those who have heard something about the financial strains don’t think they harm news coverage—a somewhat striking finding given the tens of thousands of layoffs and buyouts that have occurred in newsrooms throughout the country the past several years.

The newspaper industry alone shed 28% of its employees since its peak in 2001, according to The American Society of News Editors’ annual newsroom census, and in 2012, that number is estimated to have dipped below 40,000 employees for the first time since the census began in 1978.

From 1998 through 2010, eighteen newspapers and two newspaper chains closed all of their foreign bureaus, according to a tally by American Journalism Review. Other outlets reduced the number of correspondents in their bureaus.

In Washington, news organizations have drastically reduced their coverage of the federal government and some of its most visible departments, such as State, Defense, Justice and Treasury, AJR reported. For instance, in 2003, 23 reporters covered the Pentagon. Seven years later, 10 did. During the same period of time, reporters covering the State Department dropped from 15 to nine. Financial pressures also have led to a sharp reduction in the number of reporters who travel with the president in the United States and abroad.

Who is Aware of the Turmoil and Sees and Impact

In the Pew Research poll, certain categories of people were more aware than others of news outlets’ financial problems. People 65 and older, college graduates, those who earned more than $75,000 a year and residents of the Northeast were more likely to have heard something about the situation than people who were younger or less educated, those who earned less money or those who lived in other parts of the country, particularly the Midwest.
Nearly half—46%—of people 65 and older said they had heard “a lot” or “some” about the financial problems, compared to 35% of 18- to 29-year-olds and 38% of 30- to 49-year-olds. In fact, a full 42% of 30- to 49-year-olds said they had heard “nothing at all” about the issue.

Half the people with annual incomes of more than $75,000 said they had heard “a lot” or “some” about the media’s financial woes. That figure declined as income did, with slightly less than one third of people who earned less than $30,000 asserting at least some knowledge of the problems. Nearly half—47%—of residents of the Northeast, the most media-saturated part of the country, said they had heard “a lot” or “some” about the situation, compared to 40% of people in the South or West and just 33% of those in the Midwest.

Those who were older and more educated were also more likely to tie the financial struggles to greater difficulty reporting local news. College graduates who had heard at least a little about the financial difficulties were most likely to say they hurt local coverage, at a rate of 43%, compared to 32% of people with some college education and 31% who did not attend college at all. Among the various age groups, 40% of respondents aged 50 to 64 who heard at least a little about the financial constraints felt they made it more difficult to cover local news, as did 38% of people 65 and above. But less than a third of people under 50 answered that way.

<table>
<thead>
<tr>
<th>Demographics: Those Who Have Heard a Lot or Some About the Financial Problems of News Organizations</th>
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<tr>
<td>Percentage of U.S. Adults</td>
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<td>College Education</td>
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<td>≤ High School Education</td>
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<td><strong>Income</strong></td>
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<td>&lt;$30,000</td>
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<td>$75,000 or more</td>
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<td><strong>Geography</strong></td>
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<tr>
<td>Northeast Region</td>
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<td>Midwest Region</td>
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<td><strong>Total</strong></td>
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*N=888
PEW RESEARCH CENTER
2013 STATE OF THE NEWS MEDIA*
When it came to national and international news coverage, demographic differences were less pronounced. The most conspicuous gap was a partisan one: 39% of Democrats who had heard at least a little about the financial situation said it made reporting harder, compared to 31% of Republicans. African Americans were most likely to say money did not have much of an impact on coverage, at 67%, compared with 56% of whites.

**Quality versus Quantity**

To gauge the public’s view of how the financial travails have affected news coverage, the survey asked people whether they thought news stories were less complete than they used to be or whether there simply were fewer of them. This goes to the issue of content, and pits quality against quantity. About half—48%—of respondents said stories are not as thorough as they were before, while slightly less than a third—31%—said stories are fewer.

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**Demographics: Those Who Believe Financial Struggles Make It Harder to Cover Local News**

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<td>31%</td>
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<tr>
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<td>40%</td>
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<tr>
<td>65+</td>
<td>38%</td>
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<tr>
<td><strong>Geography</strong></td>
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<tr>
<td>Northeast Region</td>
<td>39%</td>
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<tr>
<td>Midwest Region</td>
<td>33%</td>
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<tr>
<td>South</td>
<td>33%</td>
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<tr>
<td>West</td>
<td>36%</td>
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The sense that thoroughness was a bigger problem than the quantity of stories carries across all demographics, though it was more pronounced among Republicans, independents and Southerners and less so among Democrats and Midwesterners. This comports, in part, with political divisions in the country. Men tend to vote in greater percentages for Republicans and women for Democrats.\textsuperscript{1} The South is dominated by Republicans; the Midwest is divided.

<table>
<thead>
<tr>
<th>Who Cites Quality vs. Quantity as a Bigger Effect on News Coverage</th>
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<tr>
<td>Percentage of U.S. Adults Who Have Heard at Least a Little About the News Industry’s Financial Struggles</td>
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<td><strong>Gender</strong></td>
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N=1,039
Note: Those who refused to respond or answered don’t know, are not included here.

What stands out even more is the degree to which people who left a news outlet they were dissatisfied with blamed a reduction in the quality of reporting. Fully 61\% of them said stories were less complete than they had been versus just 24\% who complained there were too few stories. For those who have not abandoned a news outlet, the breakdown is much more even.
So what do these findings mean for news organizations? It is clear from these data that much of the country recognizes little if anything about the economic challenges the industry is grappling with—and that much of the knowledge and concern about the economics and the future of the news business may be largely confined to the industry itself. But the news consumers who are more aware of the problems and their impact on news are more likely to act on those concerns by abandoning a news organization. And, based on demographics, they also are likely to be more ardent news consumers who are willing to invest in a product they value.\(^2\) They appear to be making informed choices. The job of news organizations is to come to terms with the fact that, as they search for economic stability, their financial future may well hinge on their ability to provide high quality reporting.

**Methodology**

The PSRAI January Week 4 and February Week 1 2013 Omnibus Polls obtained telephone interviews with a nationally representative sample of 2,009 adults living in the continental United States. Telephone interviews were conducted by landline (1,003) and cell phone (1,006, including 512 without a landline phone). The surveys were conducted by Princeton Survey Research Associates International (PSRAI). Interviews were done in English by Princeton Data Source from January 24 to 27 and February 7 to 10, 2013. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is ± 2.5 percentage points.

For topline click here

**Endnotes**


**Friends and Family - Important Drivers of News**

_by Jodi Enda and Amy Mitchell of the Pew Research Center_

When they hear about news events from friends and family, the vast majority of people seek out full news stories to learn more, according to a new survey by the Pew Research Center.

People most often receive news from friends and relatives the old-fashioned way: word of mouth. But significant percentages of people now get most of this news through email and social networks, and they follow up even more often than those who receive news in conversation.

According to the 2013 survey of more than 2,000 U.S. adults, nearly three-quarters—72%—say the most common way they hear about news events from family and friends is by talking in person or over the phone. But 15% get most news from family and friends through social media sites. And that rises to nearly a quarter among 18-25 year olds. Seven percent do so via email.
Even more striking is the proportion of people who then go an extra step to get more information. Nearly two-thirds of those who get news from family and friends chiefly through conversation “often” or “very often” seek out a news story to learn more. The 22% of respondents who primarily receive news from family and friends electronically seek out news stories at an even higher rate. Fully 77% said they followed up at least somewhat often, more than three times the 23% who rarely or never followed up.

Those electronic shares, then, may be a good way for news outlets to expand their audience.
The gap between acting on a digital news tip or a conversational one makes sense: It is easier and faster to click on a link that is literally at your fingertips than it is to find a story in a newspaper, which you may or may not have at your disposal, wait for a story to air on television or the radio or even conduct a search and weed through options on the internet.

What’s more, the practice of sharing news electronically may well increase in coming years as digital and mobile platforms continue to reach broader segments of the population.

Younger adults already are relying more heavily on social networks for news from friends and family. While traditional word of mouth is still the most common way they get this news, nearly a quarter (23%) receive most of their news from friends and family through social networks.

College graduates and those with higher household incomes are more likely to get most of their news from friends and family electronically, though with more of a mix between social networks and email. Fully a third of college graduates gets most of the friend and family news this way (19% through social media and 14% via email), as do 31% of those earning more than $75,000 per year (18% through social media and 13% via email). Only 16% of people who didn’t attend college at all received news from relatives or friends electronically, primarily through social media.

Democrats and independents were slightly more reliant on social networking than their Republican counterparts, receiving news from family and friends through social media 17% of the time, compared to 12% for members of the GOP.
When it came to following up on news they heard in conversation with relatives and friends, college graduates were most likely to do so very or somewhat often, at 72%, compared to 65% of people who attended some college and 58% of people who did not attend college at all. Women were more likely than men to follow up very or somewhat often, at a rate of 67% vs. 59%.

The people most likely to search out more about a story they came upon in emails or through social networking were those who earned $50,000 to just under $75,000 a year. Nine out of 10 of them said they followed up somewhat or very often. But even people who earned less than $30,000 a year - who followed up less than those in all other income categories - did so at 69%.

Again, women followed up on electronic news more than men. Forty-one percent of women said they clicked on a link or sought out more information “very often,” compared to 29% of men. Both men and women said they followed up “somewhat often” at the rate of 42%.

People who live in the West - home of the Silicon Valley—followed up on electronic news more than people in other regions. More than half (55%) of Westerners sought out additional information “very often,” more than three times as often as Midwesterners, who did so 17% of the time.
The survey results could be heartening to news outlets. They show, first and foremost, that most people are interested in the news they receive from family and friends, and curious enough about it to seek out more details. Further they demonstrate that the growth of electronic communication—via email and, to an even greater extent, social networking - may make it easier and more likely for people to follow up on news in the future.

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For topline click here
Lessons Learned About the Media from the 2012 Election

One of the key findings in the new State of the News Media report is that at a time of diminishing reporting resources, many newsmakers, in political, public and corporate life, are finding new ways to get their messages to the public—often with little or no journalistic vetting.

The five key lessons about the media and the 2012 presidential race include evidence of how the candidates and their allies were more effective in getting their messages through.

1) In the 2012 race for the White House, journalists played a smaller role in shaping what voters heard about the presidential candidates. In the 2012 campaign, only about one quarter of the statements in the media about the character and records of Barack Obama and Mitt Romney came directly from journalists while about half came from political partisans. In 2000, half of the statements about the presidential candidates came from the media and only about one-third from the partisans.

2) The candidates and their allies used that leverage to push negative messages about their opponent through the media. Almost three-quarter of the statements about each candidate’s character and record were negative compared with less than 30% positive. In 2008, most of those statements about Obama were positive while McCain’s was moderately more negative than positive.

3) Horserace coverage was down, but coverage of the issues didn’t fill that gap. In 2012, the amount of coverage devoted to tactics, strategy and polls declined to 38%, down from 53% in 2008. But that attention to policy issues—both foreign and domestic—barely budged, inching up from to 22% in 2012 compared with 20% four years earlier.

4) Obama made greater use of social media messaging than Romney, but the overall conversation in social media was negative toward both men. In the period studied by Pew Research, for example, the Obama team produced about 25 times more Twitter posts than the Romney campaign. But on blogs,
Twitter and Facebook, users were consistently more negative than positive about both candidates—although Romney fared somewhat worse.

5) More spending on political ads did not translate into a bigger audience for media outlets. A record $2.9 billion was spent on political advertising on local television, but news audiences fell in the key local news timeslots. The overall audience for broadcast network news also declined and on the three major cable news channels, CNN, MSNC and Fox News, the overall audience barely inched up.

Related Research
“The Master Character Narratives in Campaign 2012”

“Winning the Media Campaign 2012”

“How the Presidential Candidates Use the Web and Social Media”

“State of the News Media 2013” chapters on local television news, network news and cable news
For more than a decade, as the desktop/laptop era of computing took hold, news organizations were at a severe disadvantage competing against a raft of financially and technologically stronger tech companies. Now, the rapid advance of the mobile era threatens a whole new level of upheaval, as both the costs and technological challenges of keeping up in the swiftly evolving news ecosystem multiply.

If there is one fact that neatly sums up the predicament news organizations face, it is this: Google, long the dominant player in search ads, has now extended its lead to the rest of the digital advertising market. In 2012, it also became the largest player in display advertising and the nascent market of mobile ads.

If that were not enough, the search giant has also become an inescapable player in mobile devices. Tablets based on Google’s Android operating system accounted for 41% of global tablets shipped in the third quarter of 2012, according to market researcher Strategy Analytics - a sharp shift from the same period two years earlier, when Android tablets made up less than one percent of the market.1,2

News organizations are increasingly dependent on Google and a handful of other powerful tech firms for the tools and platforms needed to reach their audience. They also are increasingly vulnerable to the changes the tech firms are introducing. The shift to mobile, for example, is making news an ever-more expensive arena in which to operate, but it is not yet producing the kind of new revenues to back up news organizations that will allow them to support those expenses.

For most publications, advertising on the Web has generated only a fraction of the revenue print or television advertising once earned, and mobile ads are bringing in only a fraction of what Web ads make. And while mobile apps have started to develop as a new source of subscription revenues - and, in some cases, readership - for now that revenue stream also remains small.

If there is one hopeful sign for news, it is that the U.S. audience still turns to the legacy newspapers, TV stations and cable channels they have long known. Strong brands with solid reputations still matter, according to our data. But the twin challenges of maintaining the financial strength and technological savvy to foster those brands will only intensify.

The Audience for News

Online news consumption rose sharply the last two years, following the rapid spread of digital platforms. In fact, online was the only category of news that showed growth in Pew Research Center’s 2012 News Media Consumption survey.
In 2012, about 39% of respondents got news online or from a mobile device “yesterday,” (the day before they participated in the survey) up from 34% in 2010, when the survey was last conducted. And when other online and digital news sources are included, the share of people who got news from one or more digital forms on an average day rises to 50%, just below the audience for television news (which combines cable, local and network), but ahead of print newspapers and radio (29% and 33%, respectively). A further breakdown shows that 19% of respondents got news from social media and 16% did so from e-mail, while 8% said they’d listened to a podcast.

**Digital Grows Again as a Source for News**

*Percentage of Respondents Who Got News “Yesterday” From Each Platform*

![Graph showing percentage of respondents who got news “yesterday” from each platform from 1991 to 2012.](image)

Americans over 50 are still somewhat less likely to consume news digitally as those under 50: about 43% of those aged 50 to 64 get some form of digital news yesterday compared with 60% of the younger age groups. What stands out more, when it comes to age, is the degree those under 30 are moving away from traditional delivery systems altogether.

**Mobile**

The rapid growth of mobile is a key factor driving the move to digital news. Indeed, the proliferation of devices is giving rise to a new multiplatform news consumer, one who accesses news through a combination of different devices and traditional sources.

Some 31% of adults now own a tablet computer, almost three times the share recorded in May 2011. Web-enabled smartphones are even more widespread: 45% of adults own a smartphone today, up from 35% in May 2011.
Sales of Apple’s iPad alone were 65.7 million worldwide or around 62% of the total tablet market, and the smaller iPad Mini, introduced in November, appears to be taking off quickly. A host of Android-based tablet rivals, including Amazon’s Kindle Fire and its successors, Google’s Nexus line and Samsung Galaxy devices - many of them cheaper than Apple products - have also expanded the market considerably.

That growth appears to be a boon for news since accessing news is one of the most popular uses for the devices, enabling Americans to get news whenever they want and wherever they might be.

Fully 64% of tablet owners say they get news on their devices weekly and 37% report they do so daily, according to a survey conducted by the Pew Research Center and the Economist Group. The trend is nearly identical for smartphone owners - 62% get news on their device weekly and 36% do so daily.

For many publications, the trend is rapidly shifting the balance of readership toward mobile. “Last month, 32 percent of my traffic came from mobile,” Raju Narisetti, then the head of The Wall Street Journal’s Digital Network, said in a February presentation at the Digital Media Strategies conference in London. “A year ago it was 20 percent and a year from now it will be 50 percent.”

In some instances, it is already there. Katie Zhu, a mobile app developer at NPR, wrote in a recent blog post that mobile brought in 50% of the traffic to an election night feature tracking electoral votes. Typically, NPR gets just 10 percent to 20 percent of its traffic from mobile. “Moral of the stats: A good mobile experience is absolutely necessary,” she added.

For news operations, this means creating and maintaining news for consumption on more platforms than ever.

Most mobile news users are not replacing one platform with another; they are consuming more news than they had in the past. More than half of tablet news users, some 54%, say they also get news on a smartphone; 77% also get news on a desktop or laptop computer; 50% get news in print and a quarter get news on all four, according to the joint Pew Research Center and Economist Group study. Similarly, about three quarters of smartphone owners say they also get news on laptops or desktops, while a little over a quarter of them get news on a tablet.

This same survey also found 31% of tablet news users said that they spend more time with news since getting their mobile devices. Another 43% said that the device is adding to the amount of news they consume.
That effect seems to be stronger among older mobile news users than younger ones. Among tablet owners 65 or older, fully 61% say that the news they get on their device is adding to their news consumption. That compares with just 45% among other age groups. In a way, though, this is understandable. It is traditionally the case that older adults are more avid news consumers than younger adults. So the older adults who have invested in a tablet or smartphone are even more likely to be news junkies who appreciate getting news on multiple platforms.

Education plays a role, too: 49% of tablet news users with less than a college education say the device is boosting their news consumption; only 36% of those with a college degree or higher say the same.

This adds up to a mixed blessing for news outlets: They now have more opportunities to reach new audiences, but they need more resources to deliver content across platforms.

### The Top News Sites in 2012

All of those factors are driving enormous growth in the online news audience. The top 25 news sites in the U.S. totaled 624 million unique monthly visitors in 2012 - a 7.2% gain from the prior year, according to comScore.

One hopeful sign for news outlets: Even as readers increasingly go digital, the sites they most often look to for news are those of traditional news organizations. The three leading online measurement firms - comScore, Nielsen and Experian Hitwise - compute digital traffic in different ways, so their raw numbers do not match up. But all tell a similar story about which sites are the most popular. Well-known news brands - the websites of newspapers, cable and network news - account for 20 of the 25 most popular news sites listed by comScore, for example.

For the most part, the top 25 news sites stayed the same in 2012, though a few sites did move up or down in the rankings. (A change in Nielsen’s methodology makes year over year comparisons inaccurate for 2012, thus Hitwise and comScore are used for this measure.)
Yahoo News, which remained No. 1 on all three lists, saw a substantial increase in traffic, due in part to a content partnership with ABC News. The HuffingtonPost, which also saw strong audience growth, rose from fourth to second on the Hitwise list; it remained stable at third place in the comScore rankings. By contrast, The New York Times fell three spots on both lists, dropping to seventh place in the comScore ranking and 12th on Hitwise.

Both Boston.com and The New York Post fell out of comScore’s top 25. On Hitwise, neither has ever appeared in the top group.

**The Second Screen Phenomenon**
Mobile devices are also transforming the news environment through the rise of the so-called second screen phenomenon, in which users log onto the internet while also watching television. Although the practice goes well beyond news, it has become popular around live news events such as the U.S. presidential debates, election night or the State of the Union address.

The Pew Research Center asked whether people used two screens simultaneously to follow some election-rated events (rather than using a second device to do unrelated activities like e-mail or shopping). Of the 56% of the public who watched the second presidential debate between Mitt Romney and Barack Obama, 11% “dual-screened,” reporting that they followed the debate on both a computer or mobile device and television at the same time, according to Pew Research survey data.14

**How Users Watched the Second Presidential Debate**

<table>
<thead>
<tr>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only on Computer/Mobile</td>
</tr>
<tr>
<td>Both at the Same Time</td>
</tr>
<tr>
<td>Only on Television</td>
</tr>
</tbody>
</table>

Source: Pew Research Center

On election night last November, Pew Research found, 27% of those in the country who watched the results used both the internet and television at the same time.
Again, the election questions specifically asked about using two devices to follow the same event and do not include individuals who may have used a second screen to do other things. Other data suggest that even more people may fall into the second category. An August survey by Google, for example, reported that three-quarters of respondents said they watch TV while interacting with another device.

It is this, dual-screening during live news events, that has the most potential for news organizations, offering an opportunity to leverage viewers’ desires to communicate online and to engage more actively with the content they are seeing on the screen, especially if the event is occurring live. There is also room for supplementary programming: During the 2012 political conventions, for example, Yahoo and ABC News featured additional segments and guest interviews on their websites that complemented the network’s traditional coverage of the convention floor. By creating broadcast and digital content that capitalizes on the dual-screen trend, news organizations can deepen ties with readers and viewers. While it is still early to measure results, the small survey data available so far are fairly promising - and more so for news than for entertainment viewing.

A Verizon study published before the first presidential debate found that people planned to use their second devices in a number of different ways. Nearly half the respondents, 46%, said they would use a second screen to track broadcast media. Roughly 40% said they would fact-check what they heard or follow the reactions of political reporters. Sharing on social networks was also important: 32% said they would monitor social media while watching the debate.
For television watching more broadly - which may or may not include news - second screens may be having the opposite effect. Pew Research found that 38% of those who use their smartphones while watching TV did so to “keep themselves occupied during advertising breaks.”

Similarly, only 22% of respondents to Google’s August survey said the second screen activity was complementary to the television program. And Nielsen data suggests that much second screen activity involves e-mail, whether tied to what is being watched or not. Two-thirds of second screen users checked e-mail while watching TV, according to a Nielsen survey from December 2012.

Social Media: A Critical Tool for News Discovery

In 2012, social media continued to expand its role in the news ecosystem, establishing itself as an indispensable tool for distributing content and attracting new readers, as well as for building deeper engagement with current ones.

In early 2012, Sree Sreenivasan, the chief digital officer for Columbia University and a professor of digital media at its Graduate School of Journalism, counted 100 news organizations around the country that had designated social media editors. That number now stands at 184.

Audiences now consume more news through social media than they did before. A June 2012 Pew Research Center study found that 19% of Americans saw news or news headlines on a social network “yesterday,” more than double the 9% who’d done so in 2010. The acceleration is not just among the young. Roughly 34% of those aged 18 to 24 said they saw news on a social networking site yesterday, up from 12% in 2010, and so did 30% of 30-to-39-year olds, up from 19% in 2010.
A separate Pew Research study found that mobile is driving much of this growth. Some 47% of smartphone users said they got news through a social network “sometimes” or “regularly.” Some 39% of tablet news users did so as well. Determining exactly how much traffic social networks overall are now driving to news sites is difficult, though it accounts for a growing share of the audience, according to both Pew Research surveys cited above and Pew Research analysis of Nielsen data. Major news websites in the U.S. now get, on average, 9% of their traffic from Facebook, more than double the 4% seen just 15 months ago. Still, this is far smaller than the percentage coming from search queries, which average 23%, according to Experian Hitwise.

The influence of social media also depends on the individual site, its audience - and its design. Raju Narisetti, the head of The Wall Street Journal's digital network, told Pew Research that social media drive between 7 and 10 percent of the traffic to WSJ.com on any given day. By contrast, Zach Seward, a senior editor at Quartz, the new mobile-focused business site launched by the Atlantic Group last fall, says that social media accounts for 30 to 40 percent of its traffic.19

NewsWhip, a startup company that tracks news shared on social media, published a list in September 2012 of the 50 news sites with the strongest user engagement on Facebook. (Engagement was based on stories that tallied more than 100 Facebook interactions, such as when a reader liked a story on Facebook, shared it or commented on it.)

The Huffington Post, which was far earlier - and more aggressive - than most news organizations at making social media central to its strategy, easily came out on top. It boasted more than 2,500 stories with at least 100 Facebook interactions, almost twice that of the Daily Mail in Britain, the next most
successful. Major news brands like The New York Times and CNN also made the top 10, as did BuzzFeed, the fast-growing digital native site that was created with social media as part of its DNA. Gawker Media also did well - four of its Web properties, including Gawker.com, made the list.

**Top Sites by Facebook Interactions**

*Number of Interactions in September 2012*

<table>
<thead>
<tr>
<th>Website</th>
<th>Interactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>huffingtonpost.com</td>
<td>2,531</td>
</tr>
<tr>
<td>dailymail.co.uk</td>
<td>1,715</td>
</tr>
<tr>
<td>yahoo.com</td>
<td>1,668</td>
</tr>
<tr>
<td>bbc.co.uk</td>
<td>1,621</td>
</tr>
<tr>
<td>nytimes.com</td>
<td>1,540</td>
</tr>
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<td>1,379</td>
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<td>cnn.com</td>
<td>1,087</td>
</tr>
<tr>
<td>abcnews.go.com</td>
<td>957</td>
</tr>
<tr>
<td>buzzfeed.com</td>
<td>912</td>
</tr>
<tr>
<td>foxnews.com</td>
<td>863</td>
</tr>
</tbody>
</table>

Source: Newswhip

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Another measure of the growing importance of social media - and its ties to the second screen phenomenon - comes from Trendrr.TV, an analytics firm that measures social data around television. During the week of the election, for example, it measured network and cable television mentions in social media. CNN led among cable channels - its coverage was mentioned nearly 2 million times in social media - followed by Fox News, at almost 1.8 million. Among networks, NBC topped the list with nearly 1.7 million mentions.
Facebook, with its 167 million active users in the U.S., remains the most important of the social media sites for sharing news.\(^{20}\) And Twitter, while far smaller at 59 million active U.S. users, has consolidated its reputation as the place readers and journalists alike go for the latest updates on breaking news.\(^{21}\) The increasing reliance on up-to-the-minute reports does carry risks. On the day of the massacre at Sandy Hook Elementary School in Newtown, Conn., CNN, Fox and others\(^{22}\) incorrectly reported a number of details, including the identity of the killer. The misinformation spread almost instantly on Twitter.\(^{23}\)

Both Facebook and Twitter have taken steps over the last two years to work with journalism organizations, though some of the tools have faltered. A series of Facebook “social readers” that The Washington Post, Yahoo News and others launched starting in late 2011 to share stories automatically have faded from the site. Initial traffic gains fell quickly after many users responded poorly to stories shared by algorithms, rather than by their friends.

Considerable controversy has also surrounded the “subscribe” feature that Facebook launched in late 2011. The feature allows journalists to easily share content with their followers on the site, but many who use it have complained in recent months that their followers are no longer seeing their posts. They say readership and engagement have plummeted since Facebook launched a “promoted post” advertising feature in which the site charges users a fee to get wide distribution.\(^{24}\) Facebook has denied any connection between the two features, however, amid continuing debate over what has caused the drop-off.\(^{25}\)
Facebook has also continued to launch new features that, while not specifically designed for journalists, could nevertheless increase the site’s importance for news organizations. In early March 2013, for example, it introduced a redesigned News Feed that allows users to track multiple dedicated feeds containing only posts on news, music, photos or other types of content. The new feed, which Facebook CEO Mark Zuckerberg likened to a “personalized newspaper,” could eliminate the problems Bilton complained about and make it easier for users to track posts from the journalists and news organizations they most want to follow.

Earlier this year, Facebook also introduced an expanded search function called graph search. Vadim Lavrusik, the journalist program manager for Facebook, says it has considerable potential as a tool to help reporters find sources. In effect, journalists who take advantage of graph search will have access to many of the same targeting tools that Facebook offers its advertisers. The new function allows anyone to search posts, pictures, and other public material on the site (such as company or university affiliation) using natural language queries rather than key words and then drill down to specifics, such as location, demographics or time frame.

A reporter covering the recent school bus strike in New York might have searched for “bus drivers who work around New York” and then culled names of drivers from a particular company or neighborhood to interview. An editor putting together a before-and-after photo spread on Hurricane Sandy might query “photos taken around Breezy Point, New York, in October” to see all of the related pictures Facebook users had posted publicly during the month.

Twitter introduced a new tool for posting video content in January 2013. Vine, as it is called, allows users to easily shoot and share six-second videos. Some media watchers believe the new app has great potential for news organizations as well as for citizens by making it easier to disseminate citizen-shot videos of local events, such as fires, accidents or police misconduct, as well as short clips by reporters in the field. “Think of the impact Twitter has made so far on real-time reporting - making everyone, everywhere, a potential instant eyewitness who can share text or a photo with the world,” wrote Jeff Sonderman, the Poynter Institute’s digital media fellow, soon after Vine’s launch. “Now think of how that effect is amplified when the public can easily start sharing videos of the same events.”

But concentrating on those two sites alone may no longer be enough. News organizations have found increasing use for Pinterest, the fast-expanding pinboard site launched mid-2010. The Wall Street Journal uses it to highlight graphics, while papers like The Dallas Morning News and The Pottstown (Pa.) Mercury use it for photos of everything from local storms and fires to mug shots of people wanted by the police. Some are also experimenting with Instagram, the mobile photo app bought by Facebook. Time magazine used it to document Hurricane Sandy, while Anthony Quintano, senior community manager for NBC News, says that all of its news shows now have Instagram accounts and that journalists embedded with presidential campaigns used them to post thousands of pictures from the campaign trail.

And while Google Plus, the network started in 2011 by the search giant, is not as widely used by the public - users spend just 1% as much time on the site in a month as they do on Facebook, according to
comScore—its importance to journalism lies elsewhere. Social engagement within Google Plus is now one measure Google uses in its search algorithms, meaning an article that is popular on Google Plus will do better in search.

In an era of limited resources, however, the seemingly endless array of new platforms raises a challenge for news organizations: Just how much time should they devote to social media—and where should their resources be concentrated? “Not everyone will have equal success on every platform; you have to be thoughtful and strategic about where your efforts will pay off the most,” says Sreenivasan. “There is a long road ahead as we all learn what social can do.”

**Digital Economics: An Intensifying Array of Challenges**

As readers and advertisers dive headlong into the mobile era, the outlook for news companies remains difficult. For much of the past 15 years, news organizations have been forced to trade print dollars for digital dimes, as revenues from print and television evaporated far faster than digital revenues have grown. Now, things may get even worse: News may be entering the era of mobile pennies.

The diminishing outlook stems from a host of forces that have been building for years but are hitting with increased fury in the mobile age. First, the intensifying competition from automated advertising networks—which operate as middlemen, connecting marketers who want to place an ad with websites that have space to sell—together with the low quality of many mobile ads (particularly on smartphones, where the tiny ads can be hard to read and navigate) are driving digital ad rates even lower. Rates for Web ads are sinking and those for mobile were minuscule to start with. The combination is further straining news organizations’ already stretched finances—one reason that publishers like The New York Times, Time Inc. and The Cleveland Plain Dealer began 2013 with new rounds of layoffs.

“A lot of the challenge is in rebalancing the company,” says Marc Frons, chief information officer of The New York Times. “How do you shrink expenses on the print side enough so that you have more money to devote to digital growth?”

At the same time, news remains a tiny player in a digital market dominated by Apple, Amazon, Google, Facebook and a handful of other tech giants that are far stronger financially and, in many cases, technologically. Even as their revenue picture darkens, news organizations have little choice but to invest time, personnel and resources in the proliferating spate of digital and mobile platforms their readers are using.

“We want to be where our readers want to be as new platforms reach critical mass, but you can’t do them all at once,” said Pamela Maffei McCarthy, the deputy digital editor for The New Yorker, in an interview with Pew Research. In a pattern typical of many news organizations, the magazine focused on apps for the iPad and iPhone first, while 2013 will be a big year for Android development. An app for Google Play, the online media store run by the search giant, is next, followed by one for Windows 8.
The Digital Advertising Market

The problem for news is not the size of the digital ad market, which is growing far more rapidly than the rest of the advertising market. Total digital advertising (including mobile) rose to $37.3 billion in 2012, a 17% increase.  

Digital ads, which outpaced newspaper advertising for the first time in 2011, now make up 23% of overall U.S. advertising, up from 20% in 2011. They are second only to television ads in terms of overall dollars, and are growing three times faster. eMarketer projects digital’s share of the U.S. ad market will grow to 29% by 2016.  

Within digital, mobile advertising is growing rapidly as well. While small today, mobile ads grew 80% in 2012. At $2.6 billion, mobile now accounts for roughly 7% of total digital ad spending. eMarketer projects it will hit 21% by 2016.
The problem for news is the composition of the digital ad market, starting with the intensifying competition it faces from Google and other tech firms. While no separate tally breaking out the news industry’s share of digital ads exists, one daunting truth is clear: News is a tiny player in a market dominated by the large technology companies like Google and Facebook.

Together, the five largest companies - Google, Yahoo, Facebook, Microsoft and AOL - pocketed 64% of all digital ad spending in the U.S. in 2012, unchanged from 2011. Google maintained its market lead as its ad revenues rose 20%, to $15.4 billion, according to eMarketer. Facebook and Microsoft grew 24% and 23%, respectively. All three are increasing their share of the rapidly expanding market. Yahoo, which has suffered multiyear woes and management turmoil, saw its ad revenues fall, while AOL’s 4% growth left it with a declining piece of the market, too.

eMarketer projects the five companies will retain roughly the same market share in 2013. These are not simply the reflection of a difficult economy or a weakness in advertising. The news industry is in the midst of a deep structural shift, says Joseph Turow, a professor of communication at the University of Pennsylvania and author of “The Daily You: How the New Advertising Industry Is Defining Your Identity and Your Worth.” In an interview with Pew, Turow notes that the advertising revenues news organizations have depended on for more than a century - “their advertising subsidy” - are declining rapidly, as advertisers have found new and better places to put their money in the digital era.
That dominance leaves only a small share of the digital pie available for news organizations - and if anything, their ability to beat back against the tech giants' strong grip is getting weaker.

The digital giants, particularly Facebook and Google, collect and mine vast amounts of data on their users' hobbies, interests, demographic profiles, political interests and relationships. Every time a user “likes” a post on Facebook, conducts a search on Google, or watches a video on YouTube (which Google owns), the companies gain additional data they can use to identify their users' interests. As a result, both companies offer advertisers a far more sophisticated ability to target specific ads toward consumers than most media companies can muster - and they can increasingly do so in real time by tracking users as they surf the Web.

Moreover, they can also place those ads in front of a much larger national audience, which gives them the high volume needed to remain profitable even as they drive down ad rates and margins for the market as a whole.

The tech giants are quickly making the same claim in the fast-growing mobile ad sector. Given the rapid shift of news consumption to smartphones and tablets, mobile would seem to offer tremendous potential for legacy media. Yet many news organizations are falling behind the curve as the big tech companies invest heavily in the emerging technology.

Google has quickly become the dominant player, taking in 54.5% of all mobile ad spending in the U.S. While Facebook lags behind Google - it introduced its first mobile-only ad feature in June 2012 allowing advertisers to buy ads just on mobile devices - it is growing rapidly. Mobile ads accounted for almost a quarter of Facebook’s $1.33 billion in ad revenues in the fourth quarter of 2012, up from virtually nothing early in the year.38
Already, advertisers using Google and others can take advantage of the location-based data embedded in mobile devices to place ads targeted to where mobile users are and what they are doing. Given the complexities of mobile, even the weakest of the tech giants is in a far stronger financial and technological position to develop those abilities than all but the largest news organizations.

Moreover, because Apple, Amazon and others control the major mobile platforms, news organizations often must give the tech firms a significant slice of their mobile ad revenues.

There is another significant way in which the shift to mobile risks further exacerbating the news industry’s financial woes: If Web ads bring in only a fraction of the revenues earned by print ads, mobile ads generally bring in only a fraction of what Web ads earn. The standard measure used to price digital ads, the cost per thousand impressions (CPM), averages about $3.50 for Web ads, according to the internet analyst and venture capitalist Mary Meeker. For mobile ads, she said in a recent presentation, the average is just 75 cents.  

Those are averages, of course. Tablets generally do much better than smartphones, says Larry Moores, vice president of consumer mobile analytics at Opera Software, which runs a mobile ad platform used by News Corp., Bloomberg and CBS, as well as many non-news organizations. Apple devices also typically bring in higher rates than do rivals. iPad ads running on Opera brought in an average effective CPM of $4.42 in late 2012, while iPhone ads had an average CPM of $1.48. Ads on Android phones brought in an average of just 88 cents, while RIM’s BlackBerry phones, at $1.06, landed in between.

“The rates depend on how capable the device is of displaying interactives; what cool things it can do,” says Moores. “Tablets monetize very well because the user experience is better and the call to action can be better, but PCs still have an advantage in seamlessly executing features.”

### Estimated Cost Per Impression (eCPM) Rates for Mobile Platforms

<table>
<thead>
<tr>
<th>Platform</th>
<th>eCPM</th>
</tr>
</thead>
<tbody>
<tr>
<td>iOS</td>
<td>$1.64</td>
</tr>
<tr>
<td>iPhone</td>
<td>$1.48</td>
</tr>
<tr>
<td>iPad</td>
<td>$4.42</td>
</tr>
<tr>
<td>Android</td>
<td>$0.88</td>
</tr>
<tr>
<td>RIM (BlackBerry)</td>
<td>$1.06</td>
</tr>
</tbody>
</table>

Source: Opera. “State of Mobile Advertising, Q2 2012.”

As tech firms and others rapidly expand their ability to track consumers as they move around the Web or access information on mobile devices, significant new privacy concerns have also arisen. The Federal Trade Commission has urged the industry to adopt stronger do-not-track policies that would allow consumers to prohibit Web sites, data firms and advertising technology companies from collecting and mining personal data based on their online activity. In January 2013, the FTC also recommended that the mobile industry build similar safeguards into the software and apps used in smartphones and
For now, however, users have only limited ability to control how their personal data are collected or used.

**Digital Pay Plans**

That constant, downward pressure on digital advertising rates is a key reason many news organizations are shifting strategies to reduce dependence on advertising and increase the revenues coming from digital circulation. Over the last year, many have moved to put at least some of their content behind pay walls. Following The New York Times’s success at charging to read its content online, roughly 400 of the country’s 1,350 papers have now instituted metered payment plans or are planning to do so this year, according to Poynter. Even those previously opposed, such as The Washington Post and The Seattle Times, are considering them.

The idea is also spreading beyond newspapers: Both The Atlantic and The Daily Beast are considering plans to charge readers for their online content. And blogger Andrew Sullivan has also begun a closely watched experiment after leaving The Daily Beast to run his own site independently, using a metered subscription model.

“A lot of people once thought you could have a model in which you subsisted principally on digital ads, but to do so, you have to operate on a mass scale,” says Frons of The New York Times. “Google, Facebook, and maybe Yahoo and AOL can do it; traditional media companies cannot.”

**Digital Advertising by Sector**

Whatever the difficulties, digital advertising will nevertheless remain a significant part of the revenue mix for news. The opportunity for news varies considerably by segment, however. Digital advertising is made up of eight core segments, the largest of which has long been the search. That is dominated by Google. Search ads continue to grow rapidly, increasing 16% in 2012, to $17.6 billion.

<table>
<thead>
<tr>
<th>Total Media Advertising by Ad Type</th>
<th>2011</th>
<th>2012</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In Billions of Dollars</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Search</td>
<td>15.1</td>
<td>17.58</td>
<td>16.4%</td>
</tr>
<tr>
<td>Banner Ads</td>
<td>7.55</td>
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<td>Classifieds</td>
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<tr>
<td>Rich Media</td>
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<td>Video</td>
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<tr>
<td>Lead Generation</td>
<td>1.52</td>
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<td>Sponsorship</td>
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<td>E-mail</td>
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<td>0.22</td>
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</tbody>
</table>


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That supremacy is a key reason news organizations have faced such difficulties making money on digital news since ads that appear during searches represent nearly half the total digital ad market, yet very little of the money goes directly to news.

Mobile search is also exploding. Revenues nearly doubled to $1.3 billion in 2012. Search now brings roughly half of all mobile ads, up from about a fourth as recently as 2009.43

Display Advertising: The Rise of the Ad Networks

The news industry is largely dependent on display advertising. Banners are the largest segment of display ads, followed by video ads, rich media and sponsorship ads. (Rich media ads are banner ads that have an interactive element such as animation.)

The market for display advertising continued its rapid rise in 2012, thanks to the sharp expansion of video and sponsorship ads, as well as marketers’ continued appetite for banner ads. Over all, display revenues rose 21.5%, to $15 billion, in 2012. Banner ads grew 15%, to nearly $9 billion.44

**Banner Ads Make Up the Largest Portion of Display Advertising**

*In Billions of Dollars*

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banner Ads</td>
<td>$7.55</td>
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</tr>
<tr>
<td>Video</td>
<td>2.00</td>
<td>2.93</td>
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<td>Rich Media</td>
<td>1.65</td>
<td>1.82</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>1.12</td>
<td>1.56</td>
</tr>
</tbody>
</table>

Note: Display is made up of rich media, video, sponsorship, and banner advertising.

The higher growth rate means display, now the second largest digital ad category, is closing the gap with search. eMarketer projects that display will tie search in 2015 and take over the market lead by 2016.

In the mobile realm, display ad revenues have been roughly equal to search from the beginning, and both are rising rapidly. Mobile display doubled to $1.1 billion in 2012. As with overall ad spending, eMarketer predicts that mobile display will overtake mobile search by 2016.45
Theoretically, the shift toward display ads ought to be good for news organizations, since banner and other display ads provide the vast majority of their digital ad revenues.

Whether they’ll be able to take advantage of that shift remains an open question, however. The five tech companies that control the overall market for online ads also have a strong hold on display ads. Google and Facebook, in particular, have brought the same sophisticated ad-targeting techniques used in search ads to the market for banner, video and other display ads, giving them an advantage over many media organizations.

The five companies took in 47% of the display ad market in 2012, down one percentage point from 2011. The fall is largely attributable to the weakness of Yahoo, AOL and Microsoft, as portals have fallen from favor in the mobile and social era.46

More ominous for news, advertisers increasingly view Google, Facebook and other social media sites as better venues for their display ads than news outlets. Both Google and Facebook have increased their investments in the display ads market, giving the two an even larger edge in the race for advertising dollars.
News organizations also have to contend with the increasingly powerful role of ad networks in the display arena. These networks match marketers that want to place ads with websites that have open space to sell - and they often do so in real time - with highly specific ads geared to an individual consumer's interests. If a reader goes to a sports news site looking for game scores, he might receive ads for sports equipment or tickets to a local event, for example. And increasingly, the ads users see will also reflect the recent websites they have visited. A reader who has recently looked at a new pair of sunglasses on an eyewear site might see an ad for the very same sunglasses pop up later in the day when checking the headlines on a news site or looking at a social media feed.

The ad networks, now account for a significant share of display ads sold. Their growing importance is a key reason for Google's lead in display. In recent years, it has spent over $4 billion on ad technology companies such as DoubleClick to build up a network. Google now places targeted display ads on millions of other websites through its DoubleClick Ad Exchange. And after aggressively ramping up ads on its own site, Facebook is also working to create a similar network so that it, too, can sell targeted ads to websites around the country using the data it has gathered on its users.

They are not alone. Large independent ad networks like AdBrite and ValueClick have also become big players in display advertising. All of these networks are generally more cost-effective and easier for advertisers to use than individual news sites. Their massive scope and the huge amount of space they have opened up to advertising have also driven digital ad rates down, further limiting the digital revenues available to news.

"The networks have led a shift in ad dollars away from classic display ads toward targeted, real-time purchases that are driving down rates and disintermediating news publishers," says Frons of The New York
“Traditional ads are not going away, but they aren’t growing as they once were.”

Large publishers like The Times or Time magazine can still develop digital ad sales themselves, but many smaller and mid-size news organizations are struggling to compete with the scale and customer data of these larger ad networks. Instead, they sell digital ads through these networks - but in doing so, they must give the networks a share of the revenues the ads bring in.

Video Advertising: Small, but Exploding Growth

Americans are watching more online video than ever, and video advertising has exploded in response. It increased 47%, to $2.9 billion, in 2012, by far the highest growth rate of all digital ad segments. Video ads bring in higher rates than banner ads, providing news organizations the opportunity to charge more for the content on their sites.

The exploding popularity of mobile devices is also helping to spur the rise of video. Some 38% of respondents to the recent Pew Research Center study on mobile news said they used their tablets weekly to watch video; 12% said they did so daily. comScore found similar results in a study in April 2012 of video viewership. Tablets’ larger screens are key: More than half of tablet users surveyed said they had watched video on their smartphones during the month, compared to just 20% of smartphone owners who said the same.

Video is now the second-largest ad segment within display, and it is expected to close the gap with banner ads over the next few years.

Over all, eMarketer estimates that video will reach 15% of the digital ad market by 2016, up from 8% today. So-called “pre-roll ads” - which get the highest ad rates because they run at the beginning of a video clip - account for the majority of these ads.

Even with the strong growth in mobile video viewership, when it comes to advertising dollars, mobile video is still a small piece of the pie - it brought in $152 million in 2012, just under 6% of video ads. As more powerful mobile devices become increasingly available and mobile broadband networks improve, eMarketer projects mobile advertising will reach $1.2 billion by 2016, or 10% of the total mobile advertising market.
To take advantage of that rapid growth, many news organizations have devoted considerable resources recently to building up their video programming. Reuters and The Wall Street Journal were among many news organizations to launch video programming in partnership with YouTube last year as part of the video platform’s $100 million investment in creating original programming to compete more directly with TV. Yahoo and ABC News partnered in late 2011. The Huffington Post debuted a 24-hour online news channel in August, 2012. Time Inc., under new CEO Laura Lang, also intensified efforts to produce video for the websites of its major magazines. The Washington Post is the latest to join the fray: In January 2013, it announced plans for an online political channel to launch this summer.

Results of those efforts have been mixed. Neither The Wall Street Journal nor Reuters drew enough viewers for YouTube to continue investing in their channels. The Journal’s videos often brought in weekly viewership between 500,000 and a million, while Reuters’ ranged from 200,000 to 400,000 viewers, according to the Nieman Journalism Lab. That is a far cry from the most popular YouTube channels, which can reach 3 million to 7 million views in a week.

AOL, the parent company of Huffington Post, does not release data on the streaming service, but election night offered one look at how it is doing. In an interview with BuzzFeed, Roy Sekof, the head of Huffington Post Live, said that it drew 1.5 million viewers who stayed an average of 12 minutes. By
contrast, Yahoo and ABC News announced that their combined coverage served nearly 10 million live video streams that night.\textsuperscript{54}

**Sponsorship Ads: A Growing Role for Native Ads**

The once-dormant sponsorship ad category has also seen sharp growth in recent years. Promoted tweets on Twitter account for some of the growth, along with the rise of native ads - the digital term for advertorials containing advertiser-produced stories, which often run alongside a site’s own editorial content. Though it remains small in dollars, the category’s growth rate is second only to that of video: sponsorship ads rose 38.9%, to $1.56 billion; that followed a jump of 56.1% in 2011.

Traditional publications such as The Atlantic and Forbes, as well as digital publications BuzzFeed and Gawker, have relied heavily on native ads to quickly build digital ad revenues, and their use is expected to spread. According to tech website PandoDaily, major publishers including Hearst, Time and Condé Nast, are investing in formats to run native ads, as are many local newspapers.\textsuperscript{55} They can be more labor-intensive for advertisers than standard ads, however, as they typically involve developing unique content for each site. That could limit their spread.

The development is not without risk, however. In January, The Atlantic was heavily criticized for running a highly laudatory native ad by the Church of Scientology and allowing its marketing staff to delete negative reader comments. The ad was withdrawn and The Atlantic has since revised its policies on native ads.

**Local Advertising: The Rise of Targeted Ads**

Local digital advertising is another critical ad segment for news. The vast majority of journalism organizations in the U.S. are local players, from daily television newscasts to all but three newspapers.

Local digital ads grew 22% in 2012, to $19.9 billion, according to Borrell Associates. It estimates that local advertising rose to 29% of digital ads, up from 27% in 2011. (Borrell uses a larger measure for the national ad market than the eMarketer figures cited above.)\textsuperscript{56}

It is difficult to determine how much of that growth is going to local papers or news programming, however. In recent years, national advertisers have turned to Google, Facebook and other large networks to buy ads that once would have been considered local. A local digital ad is defined as one purchased by a company, or its regional unit, that is in the same market as the ad appears.

With the spread of geo-targeting by tech firms and ad networks, defining ads as local as opposed to national has become much more complex. If Wal-Mart uses Facebook to target shoppers in different regions across the country with a particular ad, for example, only the ads seen by users who live in roughly the same zip code as a local Wal-Mart would count as local. The same ad sent to a shopper in a somewhat more distant zip code would, in some cases, be considered a national buy.
Borrell expects local’s share of digital ad spending to continue to rise. But the reason may not bode well for news. Google, Facebook and others are moving beyond selling geo-targeted ads to national brands and they are also improving their ability to sell ad space to smaller, truly local, advertisers. To maintain a strong share of local digital ads, news organizations will need to increase their own ability to target or work with the ad networks.

The arrival of the tech giants means the makeup of local advertising market will continue to differ considerably from the national market. In the local market, display is larger segment of advertising than search.

Local search ads tallied $6.2 billion, a 10% increase, in 2012. Display, which includes both targeted ads and the “run of site,” or ROS, ads that all users see, brought in a combined $9.1 billion, a 25% jump.57

Targeted display ads are growing much faster than any other local digital format. They took in $3.8 billion in 2012, or 19% of all local ads. With growth averaging 100% a year, Borrell projects targeted display will be more than double the size of any other local ad category by 2014.58
HTML5 - a New Option for News?

Given the strain on news organizations of investing in a seemingly endless array of new platforms, some news organizations have begun experimenting with apps created by using HTML5, a technology that enables sites accessed through a browser to look and feel like mobile apps. Though they function much like an Apple or an Android app, readers do not have to download them through the Apple or Kindle stores and news organizations do not have to share revenues with Google or Apple.

For news, there are other advantages as well. Because HTML5 apps work across mobile devices, news organizations do not have to develop separate apps for each platform. Nor do they have to give up a share of advertising revenues or give up control of subscriber data, as Apple and the others demand.


They are the only major news media companies that have gone the HTML5 app route. Others have been far more wary of the technology, which is still relatively new and fragmented.

There also are drawbacks. Developing an HTML5 Web app can cost the same as a standard Web app, yet it is unclear if the benefits outweigh the costs. Moreover, current HTML5 apps do not offer the same functionality as mobile apps built specifically for those platforms. They do not have easy access to
smartphone features like GPS that allows readers to get directions to an event listed on the site or advertisers to target ads by location, for example.

Facebook launched its initial mobile app using HTML5, a move CEO Mark Zuckerberg ultimately characterized as a mistake that cost the social media site two years of development. After replacing its HTML5 app in 2012 with separate apps built specifically for Apple and Android devices, the company said it greatly improved its users’ mobile experience.

Those experiences raise some key questions for news organizations. Developing an entirely separate app in HTML5 is expensive, so, given the performance so far, is it worth it? The lack of broad adoption of HTML5 among large news organizations suggests that it does not offer enough benefits, at least not yet. As the technology develops, however, many believe that the solution will ultimately be hybrid apps, those built with an HTML5 base to increase flexibility, but which can then be customized for the Apple and Android worlds at much lower cost.

Continue Reading Digital: By the Numbers

Endnotes


3. When television is broken down in a slightly different question that asked about regular use, local TV and cable both fall before 50% (48% and 34%, respectively).


6. Michaels, Phillip. “iPhone, iPad Sales Up, Macs Fall as Apple Sees Record Sales.”


13. Hitwise uses a broader measure for the news and information category, which accounts for some of the difference in where individual news organizations rank on their respective lists.


18. Pew Research Center Interview with Sree Sreenivasan.


36. At the time of the 2012 release of the PEJ’s State of the Media Report, eMarketer had projected that the top five companies would get 68% of the 2011 online ad dollars. In its 2012 projections, eMarketer revised its 2011 number down to 64%.


49. comScore. “Majority of Tablet Users Watch Video on Their Device, 1 in Every 4 Viewers Pay to Watch.” June 8, 2012.


Online news consumption has risen sharply in recent years, following the rapid spread of digital platforms. In fact, online was the only category that showed growth in Pew Research Center’s 2012 News Media Consumption survey. Most mobile news users are not replacing one platform with another; they are consuming more news than they had in the past. More than half of tablet news users, 54%, say they also get news on a smartphone; 77% also get news on a desktop or laptop computer; 50% get news in print and a quarter get news on all four, according to a 2012 study by Pew Research Center and the Economist Group.
quarters of smartphone owners say they also get news on laptops or desktops, while a little over a quarter of them get news on a tablet.

This same survey also found that 31% of tablet news users say that they spend more time with news since getting their mobile devices, and 43% said that the device is adding to the amount of news they consume.

---

### For Many, Mobile Means More News

News users who said that since getting their tablet they...

- Spend more time with news: 31%
- Turn to new sources for news: 31%
- Are adding to the news they consume: 43%

*Based on weekly tablet news (N=810) users. Icons from the Noun Project.*

---

### Top News Sites

All of those factors are driving enormous growth in the online news audience. The top 25 news sites in the U.S. tallied 625 million average unique monthly visitors in 2012 - a 7% gain from the prior year, according to comScore.

Well-known news brands - the websites of newspapers, cable and network news - account for 20 of the 25 most popular news sites listed by comScore, for example.
The three leading online measurement firms - comScore, Nielsen and Experian Hitwise - compute digital traffic in different ways, so their raw numbers do not match up. But all tell a similar story about which sites are the most popular.

### Top Sites 2012, comScore

**Unique Audience**

<table>
<thead>
<tr>
<th>Website</th>
<th>Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yahoo!-ABC News Network</td>
<td>85,662</td>
</tr>
<tr>
<td>CNNNetwork</td>
<td>61,489</td>
</tr>
<tr>
<td>HPMG News</td>
<td>59,901</td>
</tr>
<tr>
<td>NBC News Digital</td>
<td>56,274</td>
</tr>
<tr>
<td>CBS News</td>
<td>39,221</td>
</tr>
<tr>
<td>USA Today Sites</td>
<td>35,121</td>
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<tr>
<td>The New York Times Brand</td>
<td>29,031</td>
</tr>
<tr>
<td>Foxnews.com</td>
<td>27,909</td>
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<tr>
<td>Tribune Newspapers</td>
<td>27,637</td>
</tr>
<tr>
<td>Washingtonpost.com</td>
<td>18,942</td>
</tr>
<tr>
<td>Advance Digital</td>
<td>18,172</td>
</tr>
<tr>
<td>Mail Online</td>
<td>17,776</td>
</tr>
<tr>
<td>Digital First Media</td>
<td>17,086</td>
</tr>
<tr>
<td>Hearst Newspapers</td>
<td>15,965</td>
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<tr>
<td>Examiner.com Sites</td>
<td>14,046</td>
</tr>
<tr>
<td>BBC</td>
<td>13,544</td>
</tr>
<tr>
<td>McClatchy Corporation</td>
<td>13,448</td>
</tr>
<tr>
<td>Media News Group</td>
<td>13,271</td>
</tr>
<tr>
<td>NYDailynews.com</td>
<td>11,637</td>
</tr>
<tr>
<td>The Guardian</td>
<td>9,843</td>
</tr>
<tr>
<td>Slate</td>
<td>9,154</td>
</tr>
<tr>
<td>Lee Enterprises</td>
<td>7,798</td>
</tr>
<tr>
<td>Topix</td>
<td>7,351</td>
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<tr>
<td>US News</td>
<td>7,108</td>
</tr>
<tr>
<td>MSN News</td>
<td>6,983</td>
</tr>
</tbody>
</table>

*Source: comScore*

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2013 STATE OF THE NEWS MEDIA
<table>
<thead>
<tr>
<th>Top News Sites 2012, Nielsen</th>
<th>Average Monthly Unique Visitors, in Thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yahoo-ABC News Websites</td>
<td>58,867</td>
</tr>
<tr>
<td>CNN Digital Network</td>
<td>40,021</td>
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<tr>
<td>MSNBC Digital Network</td>
<td>34,898</td>
</tr>
<tr>
<td>HPMG News Websites</td>
<td>33,463</td>
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<tr>
<td>Huffington Post</td>
<td>31,892</td>
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<tr>
<td>NYTimes.com</td>
<td>30,246</td>
</tr>
<tr>
<td>Fox News Digital Network</td>
<td>22,616</td>
</tr>
<tr>
<td>Tribune Newspapers</td>
<td>21,761</td>
</tr>
<tr>
<td>Washingtonpost.com</td>
<td>15,699</td>
</tr>
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<td>Today</td>
<td>15,435</td>
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<td>USATODAY.com</td>
<td>15,354</td>
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<td>Google News</td>
<td>14,372</td>
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<tr>
<td>Gannett Newspapers and Newspaper Division</td>
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<tr>
<td>CBS News Network</td>
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<td>MailOnline</td>
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<td>Advance Internet</td>
<td>12,683</td>
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<td>WorldNow</td>
<td>11,412</td>
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<tr>
<td>Hearst Newspapers Digital</td>
<td>11,175</td>
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<tr>
<td>McClatchy Newspaper Network</td>
<td>10,810</td>
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<td>Examiner.com</td>
<td>10,493</td>
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<td>Daily News Online Edition</td>
<td>9,176</td>
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<tr>
<td>MediaNews Group Newspapers</td>
<td>9,131</td>
</tr>
<tr>
<td>BBC</td>
<td>9,079</td>
</tr>
</tbody>
</table>

Source: Nielsen

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2013 STATE OF THE NEWS MEDIA
Second Screen

Mobile devices are transforming the news environment through the rise of the so-called second screen phenomenon, in which users log onto the internet while also watching television. Although the practice goes well beyond news, it has become popular around live news events such as the U.S. presidential debates, election night and the State of the Union address.

### Top News Sites 2012, Hitwise

<table>
<thead>
<tr>
<th>Website</th>
<th>Share</th>
<th>Total Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>news.yahoo.com</td>
<td>9.96%</td>
<td>5,061,468,962</td>
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<tr>
<td><a href="http://www.huffingtonpost.com">www.huffingtonpost.com</a></td>
<td>5.46%</td>
<td>2,777,823,600</td>
</tr>
<tr>
<td><a href="http://www.weather.com">www.weather.com</a></td>
<td>3.80%</td>
<td>1,937,665,856</td>
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<tr>
<td><a href="http://www.msnbcmsn.com">www.msnbcmsn.com</a></td>
<td>2.13%</td>
<td>1,096,296,903</td>
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<tr>
<td><a href="http://www.cnn.com">www.cnn.com</a></td>
<td>2.02%</td>
<td>1,006,425,806</td>
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<tr>
<td>gma.yahoo.com</td>
<td>1.70%</td>
<td>871,463,749</td>
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<tr>
<td><a href="http://www.foxnews.com">www.foxnews.com</a></td>
<td>1.70%</td>
<td>638,014,419</td>
</tr>
<tr>
<td>news.google.com</td>
<td>1.38%</td>
<td>694,071,244</td>
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<tr>
<td>usnews.msnbc.msn.com</td>
<td>1.21%</td>
<td>643,412,705</td>
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<tr>
<td>weather.yahoo.com</td>
<td>1.06%</td>
<td>541,483,467</td>
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<tr>
<td>cityguides.msn.com</td>
<td>1.05%</td>
<td>536,032,331</td>
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<tr>
<td><a href="http://www.nytimes.com">www.nytimes.com</a></td>
<td>1.04%</td>
<td>522,225,600</td>
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<tr>
<td><a href="http://www.drudgereport.com">www.drudgereport.com</a></td>
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<td>481,470,727</td>
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<tr>
<td>home.now.msn.com</td>
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<td>497,616,015</td>
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<td><a href="http://www.usatoday.com">www.usatoday.com</a></td>
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<tr>
<td><a href="http://www.accuweather.com">www.accuweather.com</a></td>
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<td><a href="http://www.weatherunderground.com">www.weatherunderground.com</a></td>
<td>0.81%</td>
<td>412,512,889</td>
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<tr>
<td>abcn.ws.go.com</td>
<td>0.80%</td>
<td>404,226,736</td>
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<tr>
<td>usnews.nbcnews.com</td>
<td>0.72%</td>
<td>356,936,414</td>
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<td>local.yahoo.com</td>
<td>0.72%</td>
<td>367,295,141</td>
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<tr>
<td><a href="http://www.people.com">www.people.com</a></td>
<td>0.67%</td>
<td>341,541,090</td>
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<td><a href="http://www.newser.com">www.newser.com</a></td>
<td>0.63%</td>
<td>310,767,914</td>
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<td><a href="http://www.washingtonpost.com">www.washingtonpost.com</a></td>
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<td>286,614,807</td>
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<tr>
<td><a href="http://www.foxnews.com/us">www.foxnews.com/us</a></td>
<td>0.57%</td>
<td>291,019,495</td>
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<tr>
<td><a href="http://www.dailyfinance.com">www.dailyfinance.com</a></td>
<td>0.56%</td>
<td>283,381,243</td>
</tr>
</tbody>
</table>

Source: Experian Hitwise

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2013 STATE OF THE NEWS MEDIA
On election night last November, Pew Research found, 27% of the country used both the internet and television at the same time to follow the results.

A Verizon study published before the first presidential debate found that people planned to use their second device in a number of different ways. Nearly half the respondents, 46%, said they would use a
second screen to track broadcast media. Roughly 40% said they would fact check what they heard or follow the reactions of political reporters. Sharing on social networks was also important: 32% said they would monitor social media while watching the debate.

Use of the Second Screen During the Presidential Debate

Percentage of Users Who Planned to...

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitor Broadcast Media Responses and Reactions</td>
<td>46%</td>
</tr>
<tr>
<td>Use Second Screen to Fact Check Debate</td>
<td>41%</td>
</tr>
<tr>
<td>Follow Live Reactions of Political Reporters</td>
<td>39%</td>
</tr>
<tr>
<td>Monitor Social Media</td>
<td>32%</td>
</tr>
</tbody>
</table>


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2013 STATE OF THE NEWS MEDIA

Social Media

In 2012, social media continued to expand their role in the news ecosystem, establishing themselves as an indispensable tool for distributing content and attracting new users, as well as for building deeper engagement with current ones.
NewsWhip, a startup company that tracks news shared on social media, published a list in September 2012 of the 50 news sites with the strongest user engagement on Facebook. (Engagement was based on stories that tallied more than 100 “Facebook interactions,” such as when a reader liked a story on Facebook, shared it or commented on it.)
Another measure of the growing importance of social media – and its ties to the second screen phenomenon – comes from Trendrr.TV, an analytics firm that measures social data around television. During the week of the election, for example, it measured network and cable television mentions in social media. CNN led among cable channels – its coverage was mentioned nearly 2 million times in social
media — followed by Fox News, at almost 1.8 million. Among noncable networks, NBC topped the list with nearly 1.7 million mentions.

### Social TV During Election Week

6 a.m. ET on 11/5/2012 to 9 a.m. ET on 11/12/2012

<table>
<thead>
<tr>
<th>Network</th>
<th>Mentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN</td>
<td>1,992,978</td>
</tr>
<tr>
<td>Fox News</td>
<td>1,766,982</td>
</tr>
<tr>
<td>MSNBC</td>
<td>1,674,587</td>
</tr>
<tr>
<td>NBC</td>
<td>1,656,743</td>
</tr>
<tr>
<td>Fox</td>
<td>1,620,243</td>
</tr>
<tr>
<td>ABC</td>
<td>1,563,580</td>
</tr>
<tr>
<td>Current TV</td>
<td>1,495,519</td>
</tr>
<tr>
<td>CBS</td>
<td>1,484,680</td>
</tr>
<tr>
<td>TV One</td>
<td>1,475,840</td>
</tr>
<tr>
<td>Univision</td>
<td>1,451,461</td>
</tr>
<tr>
<td>Telemundo</td>
<td>1,440,611</td>
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<tr>
<td>CNBC</td>
<td>1,426,345</td>
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<tr>
<td>PBS</td>
<td>1,421,836</td>
</tr>
<tr>
<td>BET</td>
<td>1,414,732</td>
</tr>
</tbody>
</table>

Source: Trendrr TV and Mashable

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2013 STATE OF THE NEWS MEDIA

### Digital Advertising

The digital advertising market is growing faster than other kinds of advertising. Total digital advertising (including mobile) rose to $37.3 billion in 2012, a 17% increase.¹
Rather, news organizations are facing continued competition from other companies for digital ad dollars. Digital advertising, across formats, continues to be dominated by five large companies.

Within digital, mobile advertising is growing rapidly as well. While still small, the mobile ad market grew 80% in 2012. At $2.6 billion, mobile now accounts for roughly 7% of total digital ad spending. eMarketer
Though mobile advertising is growing fast, there are still challenges in monetizing that platform. If Web ads bring in only a fraction of the revenues earned by print ads, mobile ads generally bring in only a fraction of what Web ads earn.

<table>
<thead>
<tr>
<th>Estimated Cost Per Impression (eCPM) Rates for Mobile Platforms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platform</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>iOS</td>
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<tr>
<td>iPhone</td>
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<td>iPad</td>
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<tr>
<td>Android</td>
</tr>
<tr>
<td>RIM (BlackBerry)</td>
</tr>
</tbody>
</table>

Digital advertising is made up of eight core segments, the largest of which has long been the search. That is dominated by Google. The search ad market continues to grow rapidly, increasing 16% in 2012, to $17.6 billion.
The news industry is largely dependent on display advertising. Banners are the largest segment of display ads, followed by video ads, rich media and sponsorship ads. (Rich media ads are banner ads that have an interactive element such as animation.)

### Total Media Advertising by Ad Type

<table>
<thead>
<tr>
<th>Ad Type</th>
<th>2011 (In billions of dollars)</th>
<th>2012 (In billions of dollars)</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search</td>
<td>$15.1</td>
<td>$17.58</td>
<td>16.4%</td>
</tr>
<tr>
<td>Banner Ads</td>
<td>7.55</td>
<td>8.68</td>
<td>14.9</td>
</tr>
<tr>
<td>Classifieds</td>
<td>2.68</td>
<td>2.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Rich Media</td>
<td>1.66</td>
<td>1.82</td>
<td>10.1</td>
</tr>
<tr>
<td>Video</td>
<td>2</td>
<td>2.93</td>
<td>46.5</td>
</tr>
<tr>
<td>Lead Generation</td>
<td>1.52</td>
<td>1.71</td>
<td>12.1</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>1.12</td>
<td>1.56</td>
<td>38.9</td>
</tr>
<tr>
<td>Email</td>
<td>0.21</td>
<td>0.22</td>
<td>4.5</td>
</tr>
</tbody>
</table>


**PEW RESEARCH CENTER**

**2013 STATE OF THE NEWS MEDIA**

While it is challenging to measure how much of the display ad market goes to news, according to an estimate using Kantar Media data, the categories that include at least some news brought in around $3 billion in 2012.
In the mobile realm, display ad revenues have been roughly equal to search from the start - and both are rising rapidly. Mobile display doubled to $1.1 billion in 2012. As with overall ad spending, eMarketer predicts that mobile display will overtake mobile search by 2016.5

### Mobile Search and Display Grow Equally

**In Billions of Dollars**

![Graph showing the growth of search, messaging, and display advertising](image)

Note: Figures for 2013-2016 are forecasts.

Advertisers increasingly view Google, Facebook and other social media sites as better venues for their display ads than news outlets. Both Google and Facebook have increased their investments in the display ad market, giving the two an even larger edge in the race for advertising dollars.
Americans are watching more online video than ever, and video advertising has exploded in response. It increased 47% to $2.9 billion in 2012, by far the highest growth rate of all digital ad segments. Video ads bring in higher rates than banner ads, providing news organizations the opportunity to charge more for the ads on their sites.
Local Advertising

Local digital advertising is another critical ad segment for news. The vast majority of journalism organizations in the United States are local players, from daily television newscasts to all but three of the newspapers that still remain.

Local digital ads grew 22% in 2012, to $19.9 billion, according to Borrell Associates. The firm estimates that local advertising rose to account for 29% of all digital ad spending up from 28% in 2011. (Borrell uses a larger measure for the national ad market than the eMarketer figures cited above.)
The arrival of large technology and advertising companies like Google and Facebook means the makeup of local advertising market will continue to differ considerably from the national market. In the local market, display is larger segment of advertising than search.

Local search ads amounted to $6.3 billion, a 10% increase, in 2012. Display - which includes both targeted ads and the “run of site” ads that all users see - brought in a combined $9.1 billion, a 25% jump.\textsuperscript{6}
Targeted display ads are growing much faster than any other local digital format. They took in $3.8 billion in 2012, or 19% of all local ad spending. With growth averaging 100% a year, Borrell projects targeted display will be more than double the size of any other local ad category by 2014.  

Click here to read the Digital Essay


Digital Glossary

Classified Ads
These are traditional classified ads for anything from jobs to used cars that once were common in newspapers but have now largely migrated to the Internet. Craigslist is the most popular place for free classified ads, but these ads appear on lots of websites.

**Cookies**
Cookies are small text files that are placed on users' browsers when they visit a website.

**Banner Advertising**
These ads include text and some kind of image such as a company logo or a photograph. These ads can include some kind of flash animation or moving image, but the user’s interaction is limited to clicking on the ad. There are, in the broadest sense, two types of display ads: targeted and non-targeted. Non-targeted display ads, referred to as Run of Site (ROS) Display by Borrell Associates, refer to “dumb” banner ads that are placed on sites without any relation to the content of the site or user. Targeted display ads, on the other hand, are display ads that are targeted using various information such as key words, information about users previous web habits, or user demographics.

**E-mail Ads**
These are ads the users receive through their email.

**Lead Generation**
This term refers to a kind of advertising in which users are required to fill out some kind of personal information to receive a free or trial offer from the company hosting the ad. The level of information can be as little as an e-mail address, but can also include more information such as gender, age, home town, etc. This kind of ad is lucrative for advertisers because it requires users to have a higher level of interactivity with the brand because they have to fill out personal information first. It also allows the company to archive the data that the user fills out and can be used later to get a better picture of what kind of people are interested in a particular product and therefore can help the company target ads better in the future.

**Local vs. National online ads**
In this discussion of “local” and “national” online ads Borrell associates divides the country up into different markets. By this measure a “local” online ad is any online ad purchased by a local business within the market where the ad appears. An ad is considered “national” if it is purchased in a specific market but by a business that does not operate in that market, such as a national chain.

**Pay Wall**
Blocks access to a website (or a part of a website) without payment.

**Rich Media Ads**
This refers to ads that include animation or video, but also include a more complex user interaction. These are ads that a user can interact with in various ways, including stopping or starting a video that may be part of the ad or playing a simple game that is itself a lead into the advertisement.
Search Ads (Text-Based Ads)
These are the most common kind of ad, and the kind of ad that a search engine like Google makes most of its money on. This is an ad that contains only text and a hyperlink to the product the ad is selling. Text ads of this kind are ubiquitous and show up in various places on the Internet. Google has integrated these ads into its search engine, e-mail service (Gmail) and YouTube, as well as all its other Web-based services.

SMS/MMS Ads
These are ads that users receive as text messages. SMS refers to “Short Message Service” and are ads that include text only. MMS refers to “Multimedia Message Service” and ads of this type can include photo, video or audio content.

Unique Audience (Visitors)
The number of unique individuals, not including web crawlers, that view a website in a given time frame (normally in a month). This is calculated several different ways by different measurement services, see analysis below. The most effective way to measure this is by making users log in to a site every time they use it; however, since most sites do not require a log-in, the most prevalent way to measure this is through the use of tracking cookies.

Video Advertising
Video ads appear before, after or during a video clip that a user has chosen to watch and are video’s themselves in the vein most users are used to seeing on television.

Sponsorship Ads
Sponsorship ads refer to cases where entire sections (or just entire articles) are “sponsored” by a product or company.

Native Ads
Native ads are a term that is essentially the digital equivalent of an “advertorial.” In this case the actual content of an article is a promotion, but it looks like an article by the publication.

Backgrounder

Analysis of Nielsen, Hitwise and comScore Rating Services
Measuring traffic on the Internet has become increasingly complicated. A number of methods have emerged, but no single methodology has been accepted as a standard.

Nielsen and comScore use a panel of Internet users to estimate total U.S. Internet traffic. Just as a telephone polls contact a sample of Americans, Nielsen and comScore contact a sample of Internet users who agree to share how they spend their time on the Web (comScore recently updated their methodology, discussed below). Internet users who participate then download software on their computers that tracks their online visits without attaching any personally identifiable information to the traffic data to ensure anonymity.
Nielsen uses a random sample of Internet users by collecting its panel with telephone calls, the method used by most pollsters today. Achieving a random sample of participants for the panel is a key advantage. With a random sample, Nielsen can take the traffic data and more effectively generalize to U.S. population of Internet users as a whole. Nielsen runs two panels - one consisting of people at work and the other of people at home - for a combined total of 30,000 people.

Nielsen in 2008 began testing a product that tracks how television viewing and Web browsing interrelate. It combines existing Nielsen methods for measuring television viewership with Nielsen Online’s sample-based system for estimating Internet usage. During the year, NBC tested a system called Total Audience Measurement Index that was designed to measure and analyze traffic and viewership for the network’s Olympics broadcasts and webcasts.

ComScore recruits what it calls a convenience sample instead of a simple random sample by offering incentives to participants. ComScore then applies statistical methods to adjust, or weight the results to reflect the demographics of the actual online population.

In addition to its traditional panel-based methods comScore has updated its methodology to include some server side measurements, similar to Hitwise, to better reflect internet usage habits.

For example, after it obtains traffic data from a panel, comScore analysts may discover they have a smaller percentage of males than the online population at large. They then add more results from males so that they are correctly represented. ComScore says this gives it an advantage because it uses more people (about 150,000) and maintains three panels - at work, at home and at universities — to ensure that the data capture how students are using the Internet differently from adults at home or at work.

Hitwise takes a wholly different approach. It does not gather data directly from individual computers as comScore and Nielsen do. Instead, it gets the data from Internet service providers (ISPs) who aggregate traffic data across all the individuals to whom they deliver Internet access. Hitwise provides ISPs with proprietary software that allows ISPs to analyze website usage logs created on their networks. To ensure the data is representative, Hitwise says it collects “from a geographically diverse range of ISP networks in metropolitan and regional areas, representing all types of Internet usage including home, work, educational and public access.” The sample of ISPs, however, is not a purely random one.

Hitwise feels its data offer some advantages. First, it reports data using specific website addresses (like www.CNN.com). ComScore and Nielsen report data that includes all related websites (like money.CNN.com), a definition that can change over time. Hitwise data also put a premium on anonymity. Because it collects aggregate data, it never has access to the personal information of Internet users.
If the newspaper industry had theme music in 2013, it might use “Been down so long it looks like up to me,” the much-recycled line from a 1920s blues song.

For the first time since the deep recession that began in 2007, newspaper organizations have grounds for a modicum of optimism:

- Companies have started to experiment in a big way with a variety of new revenue streams and major organizational changes. Some of the bright opportunities—such as offering social marketing services to local businesses—are ventures too new to be measured yet industry-wide. They show signs of stabilizing revenue.

- Digital pay plans are being adopted at 450 of the country’s 1,380 dailies and appear to be working not just at The New York Times but also at small and mid-sized papers. Twinned with print subscription and single-copy price increases, the digital paywall movement has circulation revenues holding steady or rising. Together with the other new revenue streams, these added circulation revenues are rebalancing the industry’s portfolio from its historic over-dependence on advertising.

- From a much-reduced base compared to the mid-2000s, publicly traded newspaper companies saw their share prices rise in 2012, with several up 30% or more.

- Although the sale prices are low, newspapers coming onto the market are finding buyers. Most notably, influential value investor Warren Buffett’s Berkshire Hathaway bought his hometown Omaha paper, all of Media General’s 63 dailies and weeklies (except for The Tampa Tribune and its weeklies) and, in early 2013, several more. Buffett and other investors have decided that print editions have legs, particularly at small and mid-sized papers, and that the organizations can stay profitable.

- Even halting improvement in the general economy helps the industry. The double whammy of cyclical ad losses on top of secular shift to new media has considerably eased from the worst of the recession from 2007 to 2010. Auto advertising has come back, and some markets, like Miami, are beginning to see recovery in real estate and employment ads as well.

All those positives, however, are for the time being mostly promise rather than performance. The most basic indicators have not turned around. The industry is little more than half the size it once was.

Considerable dangers persist:

- Print advertising fell for a sixth consecutive year in 2012, and not by just a little – it dropped $1.8 billion, or 8.5%, in a slowly improving economy. National advertising is a particular weakness, suggesting that corporations are shifting their advertising dollars to other platforms.

- Digital advertising, now up to 15% of total newspaper ad revenue, has grown anemically the past two years and does not come close to covering print ad losses. (The 2012 ratio was 15 print ad dollars lost for every digital ad dollar gained.) Even as volume improves, prices are depressed because of the huge range of places to advertise, now including social sites like Facebook and Twitter.

- While newspaper organizations have been successful at attracting readers who read news on mobile devices, particularly smartphones, advertising has not yet materialized. Mobile advertising could be just as disappointing as online advertising has been—with the growth centered on shopping and search applications rather than ads that run alongside news.

- Though the great majority of newspaper organizations are profitable on an operating basis, many companies continue to struggle with debt and pension obligations assumed in better times.

- Papers continue to reduce traditional newsroom staff with smaller expansion on the digital side. A few have also cut print frequency to three times a week.

- In a symbolic indicator of decline, newspapers are abandoning the grand headquarters buildings that used to help anchor downtowns in favor of smaller, less expensive offices. Those that stay are starting to rent excess space to other businesses.
So the industry entered 2013 with some positive signs but still dealing with difficult economic realities. The two biggest newspaper developments of the last year - digital paywalls and reduced print frequency - capture that odd mix of expansion and contraction now typical within the industry.

**Digital Pay Plans Catch Fire**

The New York Times introduced its digital pay plan in March 2011. Some regional papers like Morris Communications' Augusta Chronicle started even earlier. But 2012 was the year when the movement to digital pay really gathered momentum.

Gannett announced in February 2012 that all 80 of its community papers would have digital pay plans by the end of the year.⁷ (By early December 78 had digital pay plans. USA Today remains free online, for now.) Gannett told investors it expected the move - along with print subscription price increases - to generate $100 million in earnings annually starting in 2013.

When Gannett reported in early 2013 that its digital revenue projections were on track, it seemed to signal that such initiatives could work at papers of varying sizes, not just The New York Times.

Other chains also have embraced digital pay: Lee’s 47 papers, beginning in the second half of 2011; McClatchy’s 30 in 2012, and E.W. Scripps’ 14 early this year.⁸ Some like Journal Register and Advance that give first priority to building digital revenues are continuing to allow free access in order to maximize traffic and, therefore, ad revenues. One notable holdout, The Seattle Times, announced in February 2013 that it was shifting to a paywall. Others like The Washington Post and The Tampa Bay Times have acknowledged that they are re-evaluating.

<table>
<thead>
<tr>
<th>Top 25 Newspaper Daily Digital Editions By Rank (September 2012)</th>
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<tbody>
<tr>
<td>By Rank</td>
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<tr>
<td>---------</td>
</tr>
<tr>
<td>New York Times</td>
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<tr>
<td>Wall Street Journal</td>
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<tr>
<td>New York Post</td>
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<tr>
<td>Denver Post</td>
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<tr>
<td>Los Angeles Times</td>
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<tr>
<td>New York Daily News</td>
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<tr>
<td>Newark Star-Ledger</td>
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<tr>
<td>Newsday (N.Y.)</td>
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<tr>
<td>Los Angeles Times Business Daily</td>
</tr>
<tr>
<td>Houston Chronicle</td>
</tr>
<tr>
<td>USA Today</td>
</tr>
<tr>
<td>Detroit Free Press</td>
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<tr>
<td>Cleveland Plain Dealer</td>
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<td>Chicago Sun-Times</td>
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<td>St. Paul Pioneer Press</td>
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<td>Minneapolis Star Tribune</td>
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<tr>
<td>Dallas Morning News</td>
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<tr>
<td>San Francisco Chronicle</td>
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<tr>
<td>Boston Globe</td>
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<tr>
<td>Salt Lake City Deseret News</td>
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<td>Philadelphia Inquirer</td>
</tr>
<tr>
<td>Detroit News</td>
</tr>
<tr>
<td>Riverside Press-Enterprise</td>
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<tr>
<td>Milwaukee Journal Sentinel</td>
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</tbody>
</table>

Most digital pay plans are built around three elements. The first is the paywall. Heavy users of a site eventually encounter a notice to pay up for a digital subscription or lose access. The second is allowance for a large volume of “casual traffic” that an earlier generation of hard paywalls, like The Times of London’s, would have blocked. This permits a certain number of free articles each month and free access to articles found through search, links and social media references, and it opens the way for more skilled computer users to delete cookies or otherwise game the pay barrier.

Even more important is the third element: To stabilize and potentially grow print circulation, digital access is typically offered free or at a greatly reduced rate to print subscribers. A subscription to just the Sunday paper (by far the biggest and most profitable of the week) normally qualifies. At The Los Angeles Times and some other papers, digital plus Sunday is cheaper than digital alone.

Early results indicate minimum negative impact on digital audience or advertising.
The New York Times (including its international edition) now has 640,000 digital subscribers, Gannett 46,000. But with print price increases, both have had big gains in total circulation revenue. At The New York Times, a significant milestone was passed as circulation now accounts for a bigger share of revenue than advertising. And circulation revenue gains have come close to covering print ad losses.

At Gannett, the digital pay plan pushed circulation revenue up 17%, year-to-year, in the fourth quarter of 2012 (fourth quarter 2012 included an extra week). It now generates about a third of publishing revenue. In the fourth quarter of last year, Lee’s newspapers showed a year-to-year circulation revenue gain of nearly 4%; they get 25% of operating revenue from circulation. McClatchy, which launched its digital pay plan later than the others, gets only 20% of its revenue from circulation, but saw it grow 5.4% for the quarter.

Taken together, the circulation initiatives are slowly rebalancing the industry’s reliance on advertising over circulation as a revenue source. It will be some years still until the industry comes close to the international norm, achieved in the U.S. by The New York Times in 2012, of close to a 50-50 circulation/advertising split (a small percentage of revenue also comes from other sources), but others are seeing some measurable success.

Looking forward, digital pay plans have an added plus. Getting users accustomed to the principle of paying for content could ensure the plans will function well no matter what platforms people prefer in coming years, including the growing array of mobile devices.

Some object to digital pay on ideological grounds. Information wants to be free, say theorists like Jeff Jarvis, Steve Buttry and Mathew Ingram and any retreat from full participation in the open web is viewed as suspect, a turnoff to a younger generation of potential news readers/users.

There are some practical challenges as well. While The New York Times is clearly offering valued content on all platforms, some of the 450 papers with digital pay plans in place or in the works may be spread too thin for that. Digital subscription growth is typically fueled by deeply discounted trial offers. Converting discounted subscriptions to fully paid ones is a work in progress. Also, a New York Times executive conceded, in a discussion with industry analysts, that profit margins on the new revenues are nowhere near those realized by selling additional ads.

Nonetheless, newspapers often move in a pack when a new business idea shows merit, and the momentum for digital pay plans for papers of all sizes seems certain to continue through 2013.

**New Orleans Story: Three-Day-a-Week Publishing Sparks Debate**

In May 2012, Advance Publications announced that The Times-Picayune would shift to three-day-a-week publication in the fall, making New Orleans the largest U.S. city without a daily print newspaper.

Advance portrayed the move as a way to get ahead of the curve of shifting audience preferences, save money on a legacy pressroom, paper and delivery costs, and make the NOLA.com website — on various platforms — the focus of its news and business-growing efforts. The change was necessary for long-term survival, executives said.
It was met, though, with loud and long howls of protest from news staff, elected officials and loyal print readers. Industry critics including Newspaper Association of America chairman James Moroney, publisher of The Dallas Morning News, said the move sent all the wrong signals for an industry battling image problems. Revenue losses could easily end up greater than savings, opening the market to competition from local TV web sites and others, the critics said, adding that, at a fundamental level, Advance seemed to be saying to print readers, “You don’t need us every day” — at a time when 85% of industry ad revenues remain in print.11

A number of analysts thought the move made financial sense in the near term only as a way to cut the traditional newsroom staff deeply. The Times-Picayune did, letting 84 of 171 go, while promising to hire some of those back and add jobs for the expanded digital operation. Ultimately the staff, including 8 people already working at NOLA, grew back to roughly 150. So the staffing loss was 20 to 30 positions together with some changes in the mix of job status and duties.

The financial logic driving reduced frequency, which has been discussed as an option for years, is that print advertising is now concentrated on Sunday (nearly half the total) and a few weekdays. The few advertisers on Mondays, Tuesdays and Saturdays might be persuaded to switch schedules to the remaining print days, the theory goes. And as print advertising continues to fall, readers also may be more satisfied with three substantial print editions a week.

Advance had tested this big shift to digital starting in 2009 at its Ann Arbor operation and others in Michigan. The sites, using search engine optimization and other techniques, have posted strong traffic numbers. Advance says its emphasis on digital has made money. But the sites remain clunky in design and technology, and news coverage is notably thin with, for example, high priority local beats that seem to be covered by part-time freelancers.

It is too early to say how the newer conversions are doing. Times Picayune editor Jim Amoss did say in 2013 that print circulation is up slightly on each of the three days still published and that unique visitors to the web site have risen from 3.4 million per month in 2011 to 4.2 million monthly in 2012.12

Advance is taking this model to more of its 33 papers. It reduced the number of days it printed papers in Birmingham and Mobile, Ala., in 2012. In February 2013, it did the same in Harrisburg, Pa., and Syracuse, N.Y. And it signaled with letters to readers and announcements of coming staff cuts that it probably will follow suit this year at its largest papers in Newark, Cleveland and Portland, Ore.

In Pew Research interviews with executives at 13 major newspaper companies in early 2012, the most common prediction was that more and more papers would soon adopt the three-day-a-week publication schedule.13 Watching how many other publishers follow Advance’s lead in 2013 will be a referendum of sorts in how the industry sees its future split between print and digital platforms.

There were plenty more trends to track for 2012 and looking ahead in 2013. Oddly as the industry becomes much smaller, it also becomes more complex. The measures we have used to assess newspaper revenues in nine previous reports no longer capture a full picture, but new statistical indicators for such varied activities as digital agencies, e-commerce, event revenue and more are still under development.

**News Capacity**

This chapter, like those in the nine earlier editions, necessarily dwells on the business turmoil sweeping through the newspaper industry for the last decade. We recognize, though, that some readers are most interested in a different bottom-line: Will their local paper remain a valued source of news and accountability journalism? Does the industry still hold top chair at the table in deep coverage of national and international affairs, its investigative fangs still sharp? Or has that role passed on to a networked agglomeration of digital efforts ranging in scale from potent new entities like Politico and ProPublica to bloggers to citizen observers.

Last year and the start of 2013 offer little that is different from recent trends in news staffing. The American Society of News Editors annual employment census typically is completed soon after publication of this report. For 2011, ASNE reported a net loss of 1,000 full-time professional jobs in U.S. newsrooms.14 Judging by a string of buyout/layoff announcements continuing into 2013, another loss of 1,000 seems a reasonable estimate for 2012. (The American Society of News Editors updated the newsroom census figures in June 2013. For those data, read a brief report here.)
That would take the industry below 40,000 newsroom employment for the first time since the census began in 1978, down 30% since 2000.

We have taken the position each year that the industry is ailing but not dying and continue to believe that. However, there may not be a great difference for readers in a paper folding (as one of Warren Buffett’s, in Manassas, Va., did late in 2012) or cutting back to three days a week in print while exchanging traditional reporters and editors for a smaller group of digital specialists. Or keeping up seven-day-a-week print publication with a small harried news staff without the time or skill to take on ambitious projects.

That said, The New York Times, The Wall Street Journal and The Washington Post have not bailed out on a wide-ranging, well-staffed daily report, employing the most talented writers, columnists and editors and a growing corps of younger new media specialists like The Times’ Nate Silver and Andrew Ross Sorkin. The three newspapers are also leaders in adapting their journalism (with digital enhancements) for display on the traditional web as well as smartphones, tablets and social media applications.

Also a number of top metros – among them, The Boston Globe, The Seattle Times, The Milwaukee Journal-Sentinel and The Tampa Bay Times - produce a strong daily report and find the resources for high-impact special projects, as evidenced by multiple Pulitzer Prizes at each in recent years. The Seattle Times and The Boston Globe have also been leaders in tapping into other community and freelance reporting sources for the town-by-town or neighborhood-by-neighborhood coverage they can no longer afford to staff professionally themselves.

The migration of audience to digital platforms and the advances in new media efforts have surfaced new issues in evaluating news capacity. Digital brings with it a host of novel newsroom job descriptions – aggregator, coordinator of community conversations, technologist. Depending on your viewpoint, one could argue these are low-impact substitutes for the thinned ranks of traditional reporters, editors and visual journalists. Or, some argue, the new jobs are making newspaper content more relevant and deepening connection with audiences as preferences change about how to get news, share it and talk about it.

For many years, a great advantage for digital news reports has been that their production is inexpensive and dissemination is close to free. Plus, they are available whenever and wherever the user wants and can be up-to-the-moment timely in a way a once-a-day print report never can.

All that is true, but it has become apparent that producing on all major platforms clearly requires some big investments and frequent updates. Designing a top-of-the-line iPad app, for instance, can be at least a $100,000 upfront investment; even a modest one will cost $35,000. Now, with various Android-based devices competing with Apple, one size does not fit all display platforms, encouraging organizations to start over with an HTML 5 responsive design system that can reconfigure a report to fit any device and screen dimensions. More broadly, a newspaper organization’s digital ambitions often collide with a clunky, quickly obsolete content management system. Plenty of human effort becomes needed for even barely acceptable presentation. Basic websites are now on a second and third generation of redesigns.

Users don’t want to hear excuses for slow loading times (which also leave many banner ads unwatched as users move quickly to something else). Management of the newsroom and the rest of the enterprise now
seems to involve endless selection of vendors, sorting through sales pitches to find partners that can deliver as promised.

**Digital Advertising and Other New Revenue Streams**

Continuing a slump that began in late 2011, the industry’s digital ad revenues grew by 3.7% last year. The third and fourth quarters picked up, but not enough to change the overall trajectory.

The problems remain the same we and others have identified for the last several years. The first has to do with competition.

Display advertising (made up primarily of banner ads) is the bread-and-butter of newspaper websites and has seen strong growth in the last two years—22% in 2012 according to eMarketer. But Google and Facebook have brought sophisticated ad-targeting techniques to the market for display ads, giving them a leg up over many media organizations. Google’s investments in the area have placed it as the leader in display ad revenue as well as search.

**Banner Ads Make Up the Largest Portion of Display Advertising**

The second problem relates to price point. The enormous available inventory of advertising options on the internet continues to drive down prices. A December forecast by Zenith Optimedia, an advertising analytics and forecasting firm, showed the volume of display advertising up in both 2012 and 2013 but revenue flat. But with prices falling, the only way to increase revenues much is to get a bigger piece of the pie or to target ads to consumer profiles, supporting higher rates. That, however, takes the industry back to the problem of competing with well-funded industry giants. (For more on the state of digital advertising, please see the digital chapter of this report.)

A new opportunity lies in video advertising, which is growing so much that some organizations say they are having trouble putting up enough video content to keep up with advertiser demand. But, given how quickly Google, Facebook and the ad networks have moved in on display, there is a good chance they could do the same for video.

Another difficulty is that some of the more pricey ads, like big pop-up “takeovers” and drop downs that cover home page content, risk annoying the audience.

The industry will keep plugging away at the digital ad conundrum, but the slow progress has prompted serious efforts to expand other revenue options. One of the most broadly successful has been offering digital marketing services to local businesses that want a presence in social media but don’t know how to go about it. Event marketing and other sponsorships are also a relatively easy sell in the current market.

Another opportunity is to acquire specialized sites, as The Dallas Morning News did last year with the well-established entertainment-oriented site, Pegasus. USA Today and others find specialized sports sites do well (coverage of a college’s big-time football and basketball programs can draw a national audience).

The Morning News also has developed a business selling content from its archives to advertisers for their own marketing materials. In March 2013, The Washington Post began experimenting with another form of sponsored content, sometimes called native advertising, running a labeled essay from an advertiser on its homepage. This format has become hot with digital marketers, eager to break through the clutter. But critics say it cheapens the news product, as The Atlantic found in early 2013 when it accepted a sponsored
contribution from the Church of Scientology and its marketing staff appeared to be censoring negative comments.

Digital First Media, the umbrella company that manages both MediaNews and Journal Register, has put resources into building its own ad network rather than ceding that business to other exchanges.

The Deseret News in Salt Lake City has expanded its own website and a separate contributor content site, Deseret Direct, to reach a wider audience of Mormons nationwide and internationally.

Most of these innovations bring cultural challenges to companies. And those involved, including Gannett, GateHouse and Deseret, note that the efforts involve recruiting people from outside newspapers and, often, creating separate companies inside the corporation to insulate them from traditional print operations.

**Ad Revenue Decline Continues to Slow Down**

![Graph showing ad revenue decline]

Absence of reliable measures of each of these new revenue streams, companies confidentially exchanging business information have developed an informal proxy: The difference between advertising losses and overall revenue loss in a given period. For example, if ad revenues are down 6% for the year but total revenues are down just 2%, that is a sign of progress in developing replacement sources of revenue.¹⁹

Three weeks after initial publication of this report, the Newspaper Association of America released new figures based on areas of revenue that had no previously been measured from 15 newspaper companies. It found roughly $5.9 billion in new and old “other” revenues that had not previously been tabulated. Altogether, that makes newspapers a $38.6 billion industry rather than $33 billion if ad revenue and circulation revenue were the only activities counted.

The data come from an NAA survey of 17 newspaper companies (with revenue data from 15 of them), representing about 40% of industry circulation and 50% of revenues, also reported that circulation revenue grew 5% from 2011 levels.

(So while ad revenue fell 6% for the year, total industry revenue was off only 2% according to these figures.)

**Tablets, Smartphones and Social Media**

Even if growth slows from exponential to merely fast, each of these three platforms has become huge and stands to get bigger.²⁰ Nearly half of U.S. adults have smartphones and 31% have tablet devices, according to a January 2013 Pew Research survey. A rising share of news consumption goes to each of these platforms. Some digital business analysts see mobile largely supplanting desktop/laptop consumption of news within two or three years.

Newspapers have responded, as they more or less must, by making their content available in mobile formats. An Alliance for Audited Media survey of 210 media companies in January 2013 found that 100% expect to be on mobile by the end of the year.²¹

Something critical is missing, however: advertising. Repeating the experience of the web, publishers are finding that strong non-news competitors are abundant and that ads seem not to mesh gracefully with news reading. Industry ad revenue on the devices remains too negligible to merit measurement. Indeed,
2011 data, collected from a sample of about 40 papers by Pew Research, found mobile ad revenue accounting for less than 1% of digital revenue overall.

Media analyst Frédéric Filloux summed up the situation in a December commentary in his Monday Note newsletter: “Mobile audiences are large and growing. Great. But their monetization is mostly a disaster… So where do we go from here?”

The industry consensus is to be present on both platforms to build audience, in the hope that advertising and other forms of new revenue will follow. As noted above, while smartphone news apps are typically free and subscriptions to tablet apps can be a tough sell, both are part of the package generating new bundled subscription revenue. Maybe with time, they will sell separately.

The tablet, in particular, is so new that both advertising agencies and publishers are still learning what works best. More premium-priced sponsorships that spotlight a single advertiser look to be a promising avenue. Tablet usage, a Pew Research/Economist study showed, tends to be for much more extended sessions than the three to five minutes typical of reading newspaper websites on desktops. A number of readers say they are seeking a print-like experience. That suggests at least a potential for brand-building advertising on the devices.

Hedging their bets, 12 newspaper companies have invested in developing a freestanding smartphone “discovery” shopping site. The new company, Wanderful, absorbed a similar Associated Press effort and will debut an enhanced version of the Find n Save site at the end of this quarter. Significantly, it will not be embedded into news sites - a nod to the fact that the search for products, comparative pricing and buying on mobile are activities distinct from reading the news.

But the very slow progress in digital advertising makes print editions, where the ads run alongside news and the physical product brings a package of inserts into the home, seem worth taking another look at. For now, the consensus on the future of print seems to be shifting and even elongating somewhat, with more of an industry acknowledgement that it will be around for years, maybe decades, contributing a smaller but still significant share of revenues and profits.

Earl Wilkinson, executive director of the International News Media Association and something of a digital evangelist, recalibrated his views in a December report. As the industry continues working on transformation, he wrote, “a print + digital dynamic” will be the norm for the foreseeable future.

Danish scholar Rasmus Kleis Nielsen, in a report for the Oxford Reuters Institute, argues that we are nearer to the beginning than the mid-point of full digital transition. Guttenberg’s printing innovations took the better part of 100 years, he notes, to fully eclipse the old order of scribes. “The direction of travel is clearly toward ‘new’ media,” Nielsen concludes, “but ‘old’ media are still very much with us and do not appear to be about to disappear wholesale.”

Circulation
The two six-month periods for reporting circulation in 2012 marked the first time apples-to-apples comparisons were possible under new rules adopted by the Audit Bureau of Circulations (which late in the year changed its name to the Alliance for Audited Media).

Total Circulation Stabilizes in 2012

SEE FULL DATA SET
Those results suggested a welcome stabilization. Total daily circulation was essentially even in the most recent report. Sunday circulation, up 5% year-to-year for the period ending in March 2012, rose only 0.6% in September. The slowdown in Sunday growth was largely explained by the waning of the super-couponing craze of 2011, which had some bargain-hunters buying multiple copies of the print edition on Sundays to maximize savings.

There were some hidden changes in those seemingly static numbers, however. In the most recent report, paid digital accounts for 15.3% of circulation, up 5.5 percentage points from a year earlier. That is good in generating new revenue, establishing that full access is not a freebie and supporting subscription price increases. But for advertising, trading out paid print for paid digital is a negative for now because the rates are so much lower.

Using total circulation as the summary metric allows newspapers to build their numbers with so-called Sunday Select products, essentially bundles of inserts with little or no accompanying news, delivered to readers in certain zip codes who request the product.

Also, organizations are allowed to count branded editions, a category that includes free tabloid or foreign language versions of the paper. So, for instance, The Tampa Bay Times showed a 73,000 daily increase from the previous year’s report by virtue of counting, for the first time, distribution of its free tabloid edition, TBT.

The rules also allow some double-counting of digital subscriptions so long as the various platforms are accessed with some frequency. It is unclear how many publications use that provision. The Alliance for Audited Media is phasing in a new measure, “total consumer accounts,” that would allow advertisers to subtract out the double-counting.

John Murray, who directs audience research at the Newspaper Association of America, dug deeper into the most recent Alliance for Audited Media report. His analysis confirms the degree to which digital pay plans bolster the figures and in many cases mask print losses: nearly all the growth came from the largest newspapers, the most active in signing digital subscribers and offering Sunday Select products. The change is rapid enough, Murray found, that for papers with more than 500,000 circulation, only 64% of Sunday copies counted remain paid print.

This indicates a good-news/bad-news bottom line on audience for the industry. Combined with measures of unique visitors and page views along with market reach across platforms, the Alliance for Audited Media’s new circulation math shows total audience holding steady. On the other hand, the print audience, by far the most lucrative for advertising, continues to shrink.

Print Advertising
It was another year of losses for this key source of revenue. In 2012, the biggest culprit was soft national advertising, down 11.7% for the year. Beginning in the first quarter, according to industry sources, campaigns for several big advertisers, including telecoms (for a second year in a row) and pharmaceuticals,
slowed or stopped. National advertisers may also be accelerating the shift of their budgets from print to an array of digital alternatives. (Magazines suffered similar declines for the year.)

Print Ad Revenue Continues to Decline

![Graph showing print ad revenue decline over years.](image)

Losses in classified advertising were more moderate. Automotive, employment and other categories (such as obituaries and legal notices) all appeared to be rallying by year’s end. Real estate classified losses continued at more than 15% for the year (with more than 80% of classified ad revenue lost since its peak in 2000). Retail ads, larger than national and classified together, were down about 6.5% for the year.29

Real Estate Classified Ads Dip Most In 2012

![Graph showing real estate classified ad revenue decline over years.](image)

Preprinted insert advertising held up well in 2012 and now accounts for a quarter of print ad revenues. But it could take a crippling hit if retailers begin to shift a big share of their budgets to digital alternatives or direct mail companies, like Vlassis, which is getting a reduced rate from the Postal Service. New and unanticipated competitors - like Groupon and other daily-deal companies in 2011 - could chip away at the remaining ad base.

A sampling of public companies reporting full-year results for 2012 shows operating margins for their newspapers down slightly from a year before: The operating margin for Gannett was 9.9%, New York Times 5.4%, McClatchy 15.1%, E.W. Scripps 6.9% and A.H. Belo 8.1%. The Washington Post operated at a 9.2% loss.30

Assorted special charges and markdown of assets often made net earnings margins significantly lower. McClatchy operated at break-even, the New York Times at a 1.3% loss.31

As companies began to report their full-year results in January and February, they generally forecast more of the same print erosion in 2013 rather than an upturn.

Cost Cutting

Controlling costs, while trying to minimize damage to the news report and other essential functions, remained a critical component of managing newspapers for profitability through 2012 and the first months
of 2013. Trends we have noted in recent years continued.

As the industry has contracted to 60% of its size a decade ago as measured by revenues, there are plenty of excess capacity and other legacy costs to address.\(^{22}\)

We have reported earlier that many newspapers either are farming out their printing or, if they keep their own presses, aggressively seeking contract printing jobs. When executives from McClatchy or Gannett address investors, they typically note as a sign of progress how many of their papers no longer print on site.

Especially if presses are gone, but even if not, imposing headquarters buildings, often serving as downtown anchors, are relics. In expansionary times, papers and parent companies banked land to prepare for future growth. No need for that anymore - with the real estate market improving, selling makes more sense.

In January 2013, for example, Gannett announced that it was moving from offices that had housed The Detroit News (and now The Detroit Free Press, too) since 1917. Gannett will also be selling its 1927-vintage former headquarters in Rochester, N.Y., where the company was started and grew to the biggest in the industry. The Philadelphia newspapers have moved out of their iconic white tower into a former department store. That could be the fate of Tribune Tower in Chicago as well, and The Washington Post is exploring moving from its headquarters.

Other organizations are dealing with excess space by staying where they are and leasing out part of their offices, or - in the case of The New York Times and The Boston Globe -- carving out room for incubating digital start-ups, which could help their own search for innovations. Other companies are stuck in long-term leases that are difficult to break.

Underfunded pension plans are another challenge (as for many shrinking American companies), especially in big cities with heavily unionized work forces. Legislation in 2012 pushed into the future some required contributions, but the obligation still is there and threatens to eat up future earnings. Unionized papers may also face staffing levels and work rules that no longer make financial sense, though management’s leverage for negotiating concessions is strong.

Some companies are still working through debt taken on with acquisitions made in the middle of last decade -- McClatchy for its 2006 purchase of Knight Ridder and Lee for its 2004 buy of Pulitzer.

On an operating level, we have noted for several years that metropolitan papers are voluntarily dropping circulation outside their core areas, since delivering those papers is expensive in proportion to the money they bring in.

Last year also saw the continuation of a trend in chains (and The Associated Press as well) to consolidate design and editing in hubs. The idea is to avoid duplication of efforts and to save money.

Unavoidably, though, staff cuts create a less-is-less impression for readers, whether it be an uncovered news beat or circulation complaints handled by an overseas call center.

Why Small Beats Big

Continuing the trend of recent years, the deepest problems are concentrated at large metro papers. In the heat of a January 2013 labor negotiation, new owners of the unprofitable Philadelphia Inquirer threatened to close the paper within eight days (they didn’t). With particularly weak advertising and circulation results, The Washington Post drew sustained criticism from industry Cassandras despite aggressive experimentation launching many new lines of business and its parent company’s strong TV and cable results. The Boston Globe, which drew insufficiently attractive offers when it was put up for sale by The New York Times in 2009, went back on the block again in early 2013.

The biggest national papers benefit from an elite audience and the scale to roll out a variety of content initiatives on all platforms, but they also have distinct problems of their own. Even as The New York Times reported great subscriber growth and income from its digital pay plans, it missed third-quarter projections because of weak national advertising and lost 22% of its share value in a single day.\(^{33}\) The ad slump also prompted The Times to eliminate roughly 30 newsroom jobs in early 2013, including some high-ranking masthead editors.

Speaking to an investors’ conference in December, The Washington Post’s chief executive, Donald Graham said, “When you get larger, you get challenged by more forms of media competition for advertising delivery.” Papers in smaller markets, like those Warren Buffett is buying, can remain the go-to source for local news and a strong vehicle for local advertisers. Nor is the door closed for various new revenue initiatives as a recent Pew case study of the tiny, 12,000-circulation Columbia (Tenn.) Daily Herald highlighted or the mid-sized Santa Rosa Democrat and Naples Daily News.
Ownership and Acquisitions

Near the end of 2011, newspapers began changing hands and the buyers were varied. Buffett bought his hometown Omaha World Herald. Real-estate mogul Douglas Manchester bought The San Diego Union Tribune and has used its editorial and news columns to espouse a conservative, pro-development agenda. Halifax Media, a new company whose only holding was The Daytona Beach (Fla.) News Journal, bought The New York Times’ 16-paper regional group for $143 million.34

More of the same followed in 2012, and a number of transactions are coming in 2013. Buffett’s Berkshire Hathaway bought all of Media General’s 63 papers, except for The Tampa Tribune and its weeklies, in May for a modest price of $142 million.35 Buffett added several more small and mid-sized papers later in the year, and explained the bet (small for him) as confidence that newspapers without the competition prevalent in big cities remain dominating information and advertising franchises. Berkshire Hathaway bought The Greensboro (N.C.) News Record and The Tulsa (Okla.) World early in 2013.

Aaron Kushner, a former greeting card executive, had expressed interest in buying The Boston Globe and The Portland (Me.) Press Herald though neither resulted in a deal. In July, he bought The Orange County Register in California and six other Freedom Communications papers for an undisclosed price. Kushner moved to Santa Ana and has embarked on an unorthodox strategy at The Register, hiring about 90 new reporters and editors to strengthen the paper and build circulation. Essentially, he is doubling down on print while giving digital secondary attention (for instance, closing The Register’s year-old tablet app, Peel).36 That approach has generated a lot of industry headlines about Kushner, but it is too early to assess the results of his counter-intuitive strategy.

A local investor group completed acquisition of The Philadelphia Inquirer and Daily News for $55 million in April. That gave the papers its fifth owner in six years and the sales price was almost exactly a tenth of what another local group headed by Brian Tierney had paid in 2006.37

There were a number of other transactions involving individual newspapers. Halifax sold to local investors The Santa Rosa (Calif.) Press-Democrat, one of the largest papers in the New York Times Group that it had bought. A Los Angeles-based investment firm picked up The Tampa Tribune, for just $9.5 million.38 Lee dealt The North County Times in California to Manchester’s San Diego company and The Garden Island in Kauai, Hawaii, to The Honolulu Star-Advertiser.

These transactions have in common low purchase prices, sometimes only a little less or equal to the value of real estate that comes with the deal. Also, in larger transactions, like the multi-paper deals that Halifax and Buffett put together, pension liabilities have been left with the seller.

So the buyers’ biggest risk is absorbing any operating losses, providing money for improvements and taking the organizations to a sustainable business position. Still deeper cuts are the modus operandi for some but not all the new owners.

Newspaper broker Larry Grimes, whose business is mainly in smaller papers, remarked early in 2013 that the marketplace for newspapers will continue to flourish. The dynamic is similar to a real estate thaw – family owners who want out but have been waiting for prices to pick up may choose to sell. A case in point is the family-owned Atlantic City Press, put up for sale in January.

The Tribune Company’s four-year bankruptcy was finally resolved on the last day of 2012. All indications are that some or all of the company’s eight newspapers - including such prominent publications as The Los Angeles Times and The Chicago Tribune - are on the block as Tribune (like Media General) focuses on broadcast and digital businesses. In theory, all could be sold together, though it seems more likely that some, or even all, will go individually to local buyers or expanding chains. The bankruptcy courts appraised the newspaper at $623 million, though the actual sales price is likely to be lower.39

The New York Times’ decision to sell The Boston Globe puts yet another venerable metro in play.

One more transition, not strictly speaking an acquisition, will be closely watched. Rupert Murdoch’s News Corp. will split in two, leaving The Wall Street Journal and other newspapers in the legacy company and spinning off all of its cable and network assets into a new one. Losses in Murdoch’s newspapers have been more than covered by News Corp.’s huge and hugely profitable worldwide cable TV business. While British papers, not The Journal, are the big causes of losses, the reorganization could slow spending on investments to expand The Journal’s news report and build circulation.

The Future

Industry watchers continue to be intrigued by executives like Clark Gilbert at the Deseret News and John Paton of Journal Register and MediaNews who are plunging all in, full speed, into a transformation in which
digital is the core of news presentation and revenue.

Paton lost some of his luster as a sage in 2012 when he took Journal Register into bankruptcy for the second time in four years, though he insisted it was the overhang of legacy costs, not failures of the digital strategy that made the move necessary. His owners, led by Alden Global Capital agreed, and are completing repurchase of the company, leaving Paton and his digital strategy in place.

Gilbert and Paton are not alone. As they reduce print frequency, the Advance papers are also placing a bet that with the right focus, digital audience and revenue growth can be accelerated. The once-sleepy Morris Communications, with papers in Savannah, Ga., and Jacksonville, Fla., has a new generation of family leadership and is putting digital transformation foremost in its strategy.

So there is a measure of hope in the industry. Newspaper organizations have made progress in getting readers to pay a bigger share of costs and in turning their competencies into new revenue streams even as print advertising continues to erode and digital advertising continues to disappoint.

As for news, the industry has yet to break the decade-long cycle of doing less and less of what it does best. But while fully evolved digital information do-it-yourselfers see newspapers as passé and irrelevant, there is still substantial demand for original reporting and synthesizing the flood of available content. Doing that well on multiple platforms now seems in reach, making the rise of all things digital plausibly an opportunity, not just a threat.

Endnotes
Newspapers: By the Numbers

By Rick Edmonds of the Poynter Institute, and Emily Guskin, Amy Mitchell and Mark Jurkowitz of the Pew Research Center.

"By the Numbers" houses a comprehensive set of charts and tables telling the story of each media sector. For a narrative summary, visit the corresponding essay.

Updated May 7, 2013

Revenue and Economics

Newspaper advertising revenues continued their long slide in 2012, with print revenues dipping yet again.

Print Advertising Revenues Fall, Online Grows

In Millions of Dollars

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<th>Online</th>
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<tr>
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<td>2011</td>
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<tr>
<td>2012</td>
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</table>

Source: Newspaper Association of America
Note: Number is total print plus online revenue
Pew Research Center
2013 State of the News Media

See full data set

Print advertising revenue is now just 45% of what it was in 2006. The growth in online ad revenue has been slow.

Print vs. Online Ad Revenue

In Millions of Dollars

<table>
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<tr>
<th></th>
<th>Print</th>
<th>Online</th>
<th>Total</th>
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<tr>
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<td>$544,909</td>
<td>$1,126</td>
<td>$546,035</td>
</tr>
<tr>
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<td>46,703</td>
<td>1,541</td>
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<tr>
<td>2012</td>
<td>10,931</td>
<td>3,370</td>
<td>14,301</td>
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</table>

Source: Newspaper Association of America
Pew Research Center
2013 State of the News Media
Print advertising losses continue to far exceed digital ad gains. For 2012, the ratio was about 15 print dollars lost for every digital dollar gained—even worse than the 10 to 1 ratio in 2011.

Display advertising (made up primarily of banner ads) is the bread-and-butter of newspaper sites and has seen strong growth in the last two years. Borrell Associates predicts that targeted display, defined as ads responsive to interests readers have shown in their internet use, will take off over the next five years, passing search as the main category of local digital advertising.

**Targeted Display Expected to Dominate Local Online Advertising**

*In Millions of Dollars*

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<td>300</td>
<td>400</td>
<td>500</td>
<td>600</td>
<td>700</td>
</tr>
</tbody>
</table>

Source: Borrell Associates

All categories of print advertising declined again in 2012. As in 2011, national advertising was the hardest hit, falling 10%. Since retail is a much bigger category than the other two, dollar losses were higher there.

**Print Ad Revenue Continues to Decline**

*In Billions of Dollars*

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<td>Retail</td>
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<td>22</td>
<td>20</td>
<td>18</td>
<td>16</td>
<td>14</td>
<td>12</td>
<td>10</td>
<td>8</td>
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<tr>
<td>National</td>
<td>20</td>
<td>18</td>
<td>16</td>
<td>14</td>
<td>12</td>
<td>10</td>
<td>8</td>
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<td>Classified</td>
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<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Newspaper Association of America

SEE FULL DATA SET

Classified revenues continue to fall, but the rate of decline is slowing. More than three-quarters of print classified revenue has been lost since 2000.
Over time, the losses in employment classified advertising have been by far the greatest. “Other,” which includes paid obituaries and legal notices, has held up relatively well.

**Real Estate Classified Ads Dip Most in 2012**

Circulation revenue, both for weekday and Sunday editions, has remained relatively steady over the past two decades. In 2012, circulation revenue increased 4.6% for both weekday and Sunday editions.

This chart shows circulation revenue staying close to even for nearly two decades, as ad revenues plunge. Some publicly traded companies are instituting aggressive price increases, losing volume, but adding to circulation revenue (2012 figures are not available for total circulation revenue).
Share prices of publicly traded companies rebounded in 2012, with many appreciating 30% or more. The two that were down for the year - Washington Post and A.H. Belo - were down less than 5%. (These numbers are available from shareholder reports of publicly traded newspaper companies that are not available for privately held companies.)

Some Newspaper Stock Prices Increase in 2012

Sunday circulation has risen thanks to more new rules for counting audience that includes more digital products and the industry’s emphasis on growing sales of Sunday issues, which are the best-read and most profitable papers of the week.
Newspaper website audiences grew 3% as measured by unique visitors from November 2011 to November 2012. However, total visits decreased almost 5% in the same time period. These statistics also do not capture mobile visits at a time when traffic is shifting from desktop and laptop to tablets and smartphones.

**Aggregated U.S. Newspaper Website Audiences**

<table>
<thead>
<tr>
<th>Month</th>
<th>Total Unique Visitors (000)</th>
<th>Percentage Reach</th>
<th>Average Daily Visitors (000)</th>
<th>Total Minutes (in Millions)</th>
<th>Total Pages Viewed (in Millions)</th>
<th>Total Visits (0000)</th>
<th>Average Minutes per Visit</th>
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<td>63.9</td>
<td>22,823</td>
<td>4,470</td>
<td>4,186</td>
<td>1,013,164</td>
<td>4.4</td>
<td>8.9</td>
</tr>
<tr>
<td>May 2012</td>
<td>107,730</td>
<td>60.9</td>
<td>23,370</td>
<td>4,444</td>
<td>4,137</td>
<td>1,058,990</td>
<td>3.3</td>
<td>9.8</td>
</tr>
<tr>
<td>November 2011</td>
<td>110,502</td>
<td>62.7</td>
<td>26,325</td>
<td>5,305</td>
<td>4,048</td>
<td>1,054,940</td>
<td>3.6</td>
<td>9.7</td>
</tr>
<tr>
<td>May 2011</td>
<td>112,849</td>
<td>66.5</td>
<td>24,195</td>
<td>5,740</td>
<td>4,514</td>
<td>1,048,024</td>
<td>3.6</td>
<td>9.3</td>
</tr>
<tr>
<td>November 2010</td>
<td>105,720</td>
<td>62.9</td>
<td>22,373</td>
<td>4,316</td>
<td>4,180</td>
<td>952,474</td>
<td>3.6</td>
<td>9.0</td>
</tr>
</tbody>
</table>

The New York Times narrowly trails The Daily Mail of Britain as the leading newspaper site in terms of unique visitors. Including the consolidated audience of newspaper chains—such as Hearst, Tribune and Advance—five of the top 10 are U.S.-based.

**Top 10 Online Newspapers Worldwide**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Newspaper</th>
<th>Unique Visitors (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mail Online</td>
<td>60,807</td>
</tr>
<tr>
<td>2</td>
<td>The New York Times Brand</td>
<td>48,686</td>
</tr>
<tr>
<td>3</td>
<td>The Guardian</td>
<td>33,951</td>
</tr>
<tr>
<td>4</td>
<td>Tribune Newspapers</td>
<td>31,523</td>
</tr>
<tr>
<td>5</td>
<td>People’s Daily Online</td>
<td>33,652</td>
</tr>
<tr>
<td>6</td>
<td>Telegraph Media Group</td>
<td>30,063</td>
</tr>
<tr>
<td>7</td>
<td>Xinhua News Agency</td>
<td>29,017</td>
</tr>
<tr>
<td>8</td>
<td>Washingtonpost.com</td>
<td>26,097</td>
</tr>
<tr>
<td>9</td>
<td>Hearst Newspapers</td>
<td>24,174</td>
</tr>
<tr>
<td>10</td>
<td>Advance Digital</td>
<td>23,546</td>
</tr>
</tbody>
</table>

There was little change from 2011 to 2012 in the top 25 dailies by average daily circulation. Under new rules of the Alliance for Audited Media (formerly the Audit Bureau of Circulations), several new categories, notably branded editions, are counted. Branded editions include collections of papers in single geographic areas such as The San Jose Mercury news, Contra Costa Times and other MediaNews dailies in the San Francisco Bay Area. Also, free tabloid editions like the Tampa Bay Times TBT.
The New York Times was up 40% thanks to more than 600,000 digital subscriptions.

When it comes to Sundays, when The Wall Street Journal and USA Today do not publish, The New York Times is the circulation leader by a large margin.

Another way to look at newspaper audience is to measure a paper’s total reach in print and online. Scarborough Research measures the number of people who read a print edition at least one day a week, plus the number accessing that newspaper’s website at least one time a week (with an adjustment to avoid double counting those who do both).

In 2012, The Los Angeles Times passed The New York Daily News to take over top spot in combined weekly reach of print and online editions. The measure examines local market area only. For this reason, The Wall Street Journal and USA Today are not measured at all, and the national/international audiences for the websites of The New York Times and The Washington Post are not included. By the local total of audience reach, several publications, among them The New York Daily News and The Boston Globe, rank higher than they would by counting paid circulation alone.¹
Market penetration has been a traditional print newspaper metric. It measures the number of newspapers sold in each market as a percentage of households and includes unduplicated online audiences as well.

The Rochester Democrat and Chronicle continues to hold a lead among metro papers in market penetration, measured by percentage of households reached by print or online in the course of a week. The Democrat and Chronicle, along with several others on this list, was able to raise its penetration level in 2012.
Paid digital circulation is another indicator of audience strength. It includes several varieties of digital: Paid online subscriptions, subscriptions or single-copy sales on e-readers and e-replica editions (full online reproductions of newspapers, typically viewed on a laptop or desktop).

The New York Times, which began its paid digital subscription plan in March 2011, leads the list. The Wall Street Journal, which has been charging for online content for more than a decade, came in second. No other paper is close.

New calculations by the Newspaper Association of America put the number of daily newspapers in the U.S. at 1,382 in 2011, slightly higher than our estimate of 1,350 in last year’s report. A 2012 total is not yet available.

The breakdown of morning and evening titles suggest growth in morning papers over two decades, but in fact, the higher numbers mostly represent evening-to-morning conversions or consolidations. Launches of new dailies are extremely rare.

Employment of full-time professional editorial staff, which peaked at 56,900 in 1989, had fallen by 29% by the end of 2011. When figures for 2012 are compiled, the newsroom workforce probably will be below 40,000.

Minority employment has fallen by roughly the same percentage.
As in previous Pew Research Center content studies, business, education, health care and overseas events receive more coverage in newspapers than in the media in general. Campaigns and elections (the biggest category in 2012) and crime receive less.

**Demographic Data**

The percentage of adults who report they read a newspaper “yesterday” declined again in 2012 for all age groups except 18-to-24-year-olds. The biggest decline was for 35-to-44-year-olds, down three percentage points. Those 65 and older again were most likely to be newspaper readers.
Frequency of newspaper readership increases with the level of education, but all levels of readership are declining.

**Newspaper Readership Correlates to Higher Education Levels**  
*Percentage Nationally Who Read Any Daily Newspaper Yesterday*

![Graph showing readership by education level](image)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>College graduate</td>
<td>60</td>
<td>55</td>
<td>50</td>
<td>45</td>
<td>40</td>
<td>35</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Some graduate</td>
<td>55</td>
<td>50</td>
<td>45</td>
<td>40</td>
<td>35</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5%</td>
<td>0%</td>
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<td>0%</td>
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<tr>
<td>Some college</td>
<td>55</td>
<td>50</td>
<td>45</td>
<td>40</td>
<td>35</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5%</td>
<td>0%</td>
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<td>0%</td>
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<tr>
<td>Bachelor degree</td>
<td>40</td>
<td>35</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>High school</td>
<td>35</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Scarborough Research survey data  
Note: 1999 – 2012 Scarborough Report, Release 1  
Pew Research Center  
2013 STATE OF THE NEWS MEDIA

Newspaper readership also correlates with higher income levels. In 2012, the two highest categories, $100,000 to $149,000 and $150,000 or more, showed, by a slight margin, the biggest declines.

**Newspaper Readership Correlates to Higher Income Levels**  
*Percentage Nationally Who Read Any Daily Newspaper Yesterday*

![Income Readership Graph](image)

<table>
<thead>
<tr>
<th>Income Level</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $24,999</td>
<td>29%</td>
<td>33%</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>$25,000-$39,999</td>
<td>34%</td>
<td>37%</td>
<td>34%</td>
<td>37%</td>
</tr>
<tr>
<td>$40,000-$49,999</td>
<td>37%</td>
<td>40%</td>
<td>37%</td>
<td>40%</td>
</tr>
<tr>
<td>$50,000-$74,999</td>
<td>43%</td>
<td>43%</td>
<td>45%</td>
<td>48%</td>
</tr>
<tr>
<td>$75,000-$99,999</td>
<td>45%</td>
<td>47%</td>
<td>45%</td>
<td>48%</td>
</tr>
<tr>
<td>$100,000-$149,999</td>
<td>46%</td>
<td>47%</td>
<td>46%</td>
<td>45%</td>
</tr>
<tr>
<td>$150,000 or more</td>
<td>48%</td>
<td>48%</td>
<td>48%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Whites have the highest level of daily newspaper readership, followed by African Americans. Whites decreased readership by 5% in 2012 and Asians dropped by 7%. African Americans and Hispanics remained at the same level of readership in 2012.
1. The print and online totals are measured by the Alliance for Audited Media and Scarborough, but the methodology is completely different from that used in its traditional measure of paid circulation. Hence the much higher totals. A reader is counted if he or she reads the print edition or visits online at least one day in a week.

Newspapers Glossary

**Circulation**
The average number of copies of a newspaper distributed or sold in a given time period. Often expressed as daily circulation (Monday-Saturday) or Sunday circulation.

**Paywall**
A policy of limiting access to a website (or a part of a website) to users who pay a fee or purchase a subscription.

**E-editions**
E-editions include paid online subscriptions, subscriptions on e-readers (Kindles, iPads, Nooks or others) and e-replica editions (full online reproductions of newspapers, typically viewed on a computer).
In some fundamental ways, the network news landscape changed very little in 2012.

After an unusual uptick in the overall audience for evening news in 2011, the trend line returned to its normal in 2012. The combined viewership for the ABC, CBS and NBC evening newscasts dropped 2%, to 22.1 million, resuming the downward trajectory of nearly three decades. It now appears that 2011 may have been an outlier, with the bigger audience attributable to an unusual number of major news events that year, including the Arab Spring, the Japanese earthquake and the killing of Osama bin Laden. Even a presidential election couldn’t keep some viewers from deserting network news in 2012.

At the same time, a separate Pew Research Center analysis of the content on network news reveals the remarkably unchanging formula of the three evening newscasts. In 2012, the percentage of airtime devoted to packages, interviews and live staff reports—as well as the lengths of these stories—was virtually the same as five years earlier, in 2007. Whatever the causes of the audience erosion, and despite gloomy predictions about the future of evening news, network executives are standing pat with the structure of their news programming.

There were, though, other changes at the network news operations in 2012, many of them related to the fierce battle for that shrinking audience. And one network, NBC, seemed to experience the most turmoil and uncertainty.

The Today show, NBC’s top-rated morning news program for 16 years, was overtaken in viewership by ABC’s Good Morning America in April 2012. In addition, its once-dominant Sunday news show, the 66-year-old Meet the Press, fell behind CBS’s Face the Nation. And the network’s much-anticipated prime-time news magazine, Rock Center, saw its small audience erode further while Dateline Friday saw its audience crater.¹

NBC did hold its lead in evening news viewership, though its numbers were down from a year ago. In fact, CBS was the only network to increase evening viewers last year, where the continuing focus on harder news seemed to pay dividends with the evening audience, but not with the morning.

NBC News also experienced some rockiness off the air. It ended its 16-year partnership with Microsoft, gaining full ownership of the MSNBC.com website and rebranding it NBCNews.com. In July, NBCUniversal reorganized its news operations, consolidating NBC News with CNBC, MSNBC and the Weather Channel. In January 2013, Steve Capus, the news division’s president, resigned. Then in February, Comcast bought the rest of General Electric’s 49% stake in NBC, about a year earlier than industry experts had expected.² Other than some personnel changes, it remains to be seen what the effects of these changes will be.
All the networks pushed ahead in the digital space in 2012, with the presidential campaign proving to be a showcase for innovation. All three, for example, live-streamed coverage of the 2012 presidential conventions and debates. ABC and NBC were particularly aggressive on Facebook and Twitter in 2012, posting news updates throughout the day and soliciting public feedback about news stories. ABC also launched a new daily web show tied to its morning show called GMA Live, while CBS’ morning show introduced an online book club.

The question going forward as more of the network offerings become available on digital platforms is how they can monetize that content. While digital revenue is not broken out for the news divisions, the investment firm Veronis Suhler Stevenson estimated that in broadcast television overall, revenue from online and mobile platforms grew an estimated 25% in 2012.

On PBS, the evening NewsHour program lags well behind the three commercial network evening news programs in viewership, but it continued to implement significant digital innovations in 2012. That includes crowd-sourced translations of important speeches. While the NewsHour’s television viewership declined in 2012, the program’s digital audience grew substantially.

And in early 2013, PBS made news when word surfaced that it was considering producing 30-minute newscasts on Saturday and Sunday that would originate from New York. Weekend news programs would mark a first for the public television’s signature news show.

**Evening News Audiences**
Total viewership is the most financially significant measurement of how the different news programs are doing. And 2012 was a year of modest audience decline.

In the evening, an average of 22.1 million people watched one of the three commercial broadcast news programs on ABC, CBS or NBC.

That is a decrease of 418,200 viewers, or almost 2%, from the average viewership the year before, according to Pew Research analysis of data from Nielsen Media Research.
Among the three, CBS was the only one of the evening news programs to grow its audience in 2012. Continuing its upward trend of the last two years, The CBS Evening News with Scott Pelley grew viewership 2.8% to an average of 6.14 million viewers in 2012. That is still markedly less than the average viewership at NBC and ABC, though both of those programs lost viewers in 2012.
ABC World News with Diane Sawyer lost an average of 327,600 viewers per night, or 4.2% of its audience. NBC Nightly News with Brian Williams lost an average of 255,600 nightly viewers, or 2.9% of its audience, but still maintained its lead over second-place ABC by about one million viewers a night.

Part of the decline may be due to smaller lead-in audiences from local evening news programs, which declined across all three networks. In addition, some cite the fact that 2012 was a year of fewer major news events, compared with 2011, which witnessed the earthquake and tsunami in Japan, the British royal wedding, the death of Osama bin Laden, the Arab Spring and the overthrow of Hosni Mubarak in Egypt and the mall shooting in Tucson.

One major event in 2012, the London Olympics, did temporarily boost the ratings of host network NBC. Its Nightly News, which was broadcast from London during the Olympics, averaged 10.85 million viewers every night during the games—about two million more than it normally averages. That bulge drove NBC to its largest lead in viewers over its competitors since Nielsen started measuring with people meters in 1987.

Network news audiences have been steadily eroding for more than three decades, with slight upticks in 1985, in 1992 and 2001, years in which major events, such as the end of the Cold War and the 9/11 attacks, helped boost viewership. Since 1980, the three commercial evening newscasts have lost about 27.4 million viewers, or 52.6%, of their audience.

While cable television news, which tends to focus more intensively on political coverage, saw primetime viewership grow by 3% in 2012, it still remains far behind network news in total numbers.
Despite those losses, the network evening news is still a popular news source. In 2012, for example, more than four times as many people watched the three network evening newscasts on ABC, CBS and NBC than watched the highest-rated shows on the three cable news channels (CNN, Fox News and MSNBC) during prime time.\(^5\)

Furthermore, more than twice as many people watch the lowest-rated broadcast evening news program, CBS Evening News (6.14 million) than watch the highest-rated cable news program, Fox News’ O’Reilly Factor (2.96 million).

The network evening news audience skews older than Americans overall. The average age of a regular network evening news viewer is 53 while the median age of the U.S. population in 2010 was 37, according to the U.S. Census.\(^6\) Over half, 52%, of the evening news audience is female, versus 51% of the survey population.\(^7\)

For more information on network evening news audiences in 2012, including data on ratings and share for all three network news programs, visit the network data section.

**Morning News Audiences**

The overall morning news audience declined 4% in 2012 to 12.6 million viewers on average, down from 13.1 million in 2011. But the biggest story of the year was ABC’s Good Morning America edging out NBC’s Today for the first time since 1995.

The Today show’s long winning streak came to an end the week of April 9, 2012, when Good Morning America beat it by 31,000 viewers. GMA drew 5.168 million people on average, compared to 5.137 million for Today that week.\(^8\) ABC had gotten close before, most recently in 2005 and again in March 2012.\(^9\) And, in the important sweeps month of November, GMA won in total viewers - its first sweeps victory in 17 years.\(^10\)

GMA also edged out the Today show for the year, averaging 4.918 million viewers per day (up 2.8% from 2011), versus Today’s 4.917 million (down 9.6% from 2011). The morning news programs are big profit centers for the network news divisions because they consume so much air time—two hours each on ABC and CBS and four hours on NBC. Being the No. 1 morning news show carries clout with advertisers; and this will give ABC the ability to charge higher advertising rates. It also affects programming - the No. 1 show often has a better chance of attracting the most coveted guests, or “gets,” as they are known.
In an attempt to generate buzz the first week of April, Today brought in former Alaska governor Sarah Palin as a co-host at the same time that former Today and CBS Evening News anchor Katie Couric filled in on Good Morning America. Still, the very next week Today lost to GMA for the first time in 16 years.

Analysts and journalists attributed GMA’s success to several factors, including the rapport among the GMA cast—Robin Roberts, Sam Champion, George Stephanopoulos, Lara Spencer and Diane Sawyer—and the behind-the-scenes tension at Today. NBC’s dismissal of Ann Curry in June seems to be a factor as well. Aside from the Summer Olympics, Today did not win a week in ratings after Curry left the show.11

GMA also heavily promoted one of the show’s cast members, Robin Roberts, over the year. Roberts, one of GMA’s hosts, was forced to leave the program temporarily in August 2012 to fight a life-threatening blood disease. She came back on air in February 2013 to great excitement after months of coverage of her condition and eventual return.

In third place, CBS’ morning news program continues to shed viewers.

In January 2012, the network tried to revive itself with a new morning news program, CBS This Morning, in place of The Early Show. Charlie Rose and Gayle King were brought in as co-anchors with Early Show holdover Erica Hill. Over the summer, though, Hill left the program and was replaced by CBS White House correspondent Norah O’Donnell.

Despite these changes, the audience for CBS This Morning still declined 4.8% to an average of 2.7 million viewers.

Since the departure of the CBS Evening News anchor Katie Couric in June 2011 and the naming of 60 Minutes executive producer Jeff Fager as head of the news division in February 2011, CBS has made an
effort to focus on more “hard news” stories, and last year that was particularly evident in its morning news agenda. For example, stories about government made up 7.3% of CBS This Morning’s newshole for the first five months of 2012, compared to 3.7% at Today and 3.6% at GMA. And the election made up 30.3% of This Morning’s newshole compared to 25.4% at Today and 15.2% of GMA.

Furthermore, less than a half of one percent of CBS This Morning’s newshole was dedicated to celebrities and entertainment, whereas 3.5% of Good Morning America’s and 3.7% of Today’s was. “We’ll still have fun,” Chris Licht, the executive producer of the CBS show, told the New York Daily News. “We’ll do stories that are just entertaining. But maybe we’ll go a little longer on some of the serious interviews, a little more the 60 Minutes route.”

The morning news audience is generally similar to the evening news audience, with one notable difference. More than six out of 10 morning news viewers (62%) are female compared with 52% female viewership in the evening. The average age of a regular morning news viewer is 52, slightly younger than that of the evening news viewer (53), according to a May 2012 study by the Pew Research Center for the People & the Press.

**News Magazine Audiences**

Other than ABC’s 20/20 and NBC’s Dateline Sunday, all of the network news magazines declined in viewership in 2012, including the venerable 60 Minutes, which nevertheless remained one of the most-viewed programs on television in 2012.

**News Magazine Viewership Drops for All but 20/20 and Dateline Sunday**

*Year-to-Year Average Nightly Viewership, in Millions*

<table>
<thead>
<tr>
<th>Year</th>
<th>60 Minutes</th>
<th>48 Hours*</th>
<th>20/20</th>
<th>Dateline Friday</th>
<th>Dateline Sunday</th>
<th>Nightline</th>
<th>Rock Center</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>14</td>
<td>12</td>
<td>12</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>1</td>
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<tr>
<td>2007</td>
<td>12</td>
<td>10</td>
<td>10</td>
<td>3</td>
<td>3</td>
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<td>1</td>
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<tr>
<td>2008</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>2</td>
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<tr>
<td>2009</td>
<td>6</td>
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<td>2010</td>
<td>5</td>
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<tr>
<td>2011</td>
<td>4</td>
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<td>4</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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<tr>
<td>2012</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
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</table>

*Source: Nielsen Media Research, used under license
*Note: January-September the show is 48 Hours Mystery. October-December it is 48 Hours.*
NBC’s highly anticipated Rock Center with Brian Williams launched on October 31, 2011, and lost viewers in 2012, averaging 3.8 million over the whole year. A comparison between the last two months of 2012 and 2011 shows a 4.9% decrease in viewers in 2012. Designed to be more of a serious prime-time newsmagazine than Dateline NBC, which focuses on crime stories, one of the show’s challenges has been the search for a permanent time slot. When it premiered, Rock Center aired Mondays at 10 p.m. It then switched to Wednesdays at 9 p.m., moved again, to Thursdays at 10 p.m., and most recently was slotted on Friday night at 10 p.m. On its first Friday night airing, Williams closed the show describing that day as Rock Center’s “last resting place.”

Dateline Sunday (which airs January through August) increased in viewership 9% to 5.2 million viewers on average in 2012. This was the second year in a row the show enjoyed increases in viewership. NBC’s other Dateline, the Friday edition, fared much worse with a 16.2% decrease to an average of 4.8 million viewers. This comes after a 5.2% decrease in 2011.

The oldest television news magazine, and the most popular by far, is CBS’ 60 Minutes. But it did experience its third straight year of dropping viewership in 2012, falling 4.2% to 11.1 million viewers on average. CBS’ other news magazine, 48 Hours, also saw a decrease in viewership, 7.2% down to 5 million viewers.

ABC’s 20/20 grew in viewership in 2012 by 5.4%, up to 5.2 million average viewers. And there was big news at the network’s other newsmagazine, the 33-year-old Nightline, which had been winning its late-night time slot. In 2011, ABC shortened Nightline to 25 minutes so that its late night talk show, Jimmy Kimmel Live!, could start at midnight. Then, in January 2013, ABC switched Nightline with Kimmel’s show, so that he could directly compete against The Late Show with David Letterman on CBS and The Tonight Show with Jay Leno on NBC. This bumped Nightline to 12:35 a.m., but the network gave it back its full 30 minutes and an additional Friday prime-time slot at 9 p.m. starting in March 2013.

Analysts say Nightline’s future at the 12:35 a.m. time slot seems uncertain.

**Sunday Morning Political Talk Show Audiences**

These longtime staples of Sunday morning news, with their strong focus on Beltway policy and politics, garner a relatively high audience. The combined audience for the Sunday political talk shows on ABC, CBS and NBC for the second half of 2012 was 8.5 million people, not all that much smaller than the 12.6 million who watch one of the weekly morning news shows on those same networks. For the past 17 years, Fox has had its own Sunday morning talk show for its broadcast affiliates, Fox News Sunday, which came in fourth place with a little over a million viewers for the second half of 2012.

The shows also serve as a way to establish the tone and agenda of the political debate for the week. Often decision makers appear on these Sunday talk programs and their words are replayed and discussed throughout the week’s news. It is not uncommon for politicians to make major announcements on these programs as well, and presidential candidates make special effort to appear on all of the political affairs shows. Indeed, one of the larger political controversies last year stemmed from comments UN
Ambassador Susan Rice made on the Sunday talk shows in discussing the September 11 attack on the U.S. consulate in Benghazi Libya that killed the ambassador and three other Americans.

In the heated battle for Sunday morning viewers, CBS’ Face the Nation—hosted by Bob Schieffer for more than two decades—emerged victorious. During the last six months of 2012, Face the Nation narrowly edged out Meet the Press by 34,000 viewers (2.97 million versus 2.94 million viewers on average). This Week came in a close third with 2.57 million viewers, and Fox News Sunday with 1.24 million viewers.

Face the Nation, in fact, had a larger audience on average in 2012 (2.97 million viewers) than that network’s daily morning news program, CBS This Morning (2.7 million).

The other programs saw anchor changes in recent years. ABC’s This Week is hosted by George Stephanopoulos, who took over from Christiane Amanpour in December 2011, and NBC’s Meet the Press is hosted by David Gregory, who took over from the late Tim Russert in 2008.

Meet the Press had long been the most popular - in 2006 it marked five years as the highest-rated Sunday program. But after the death of Russert, the show began to lose ground to its competition. Since Russert’s final full season, Meet the Press has lost 20% of its audience, while Face the Nation gained 23% in the same time period. This Week still trailed the other two, but has improved on its ratings since Stephanopoulos took over hosting. 

**Face the Nation Edges Out Meet the Press in Viewership**

*Average Viewership, in Millions*

![Bar chart showing viewership](image-url)

*Source: Nielsen Media Research, used under license*

*Note: Data for July-December 2012*

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Determining the economic health of a network news division is a challenge. Networks do not publicly break out financial data for their news divisions.

Overall revenue of network television, beyond just news, grew in 2012. Kantar Media reported that broadcast television advertising revenue increased 10.6% for the first nine months of 2012 compared to the same period in 2011.\(^\text{16}\)

According to estimates from the investment firm of Veronis Suhler Stevenson, advertising accounts for about 84% of overall network television revenue, with income from online and mobile platforms accounting for 12%.

**ABC**

Disney, ABC’s parent company, breaks down revenue for its different entities, but not specifically for ABC News. Disney’s media networks—which include ABC, international and domestic cable television networks, television production operations, distribution, local stations, domestic radio networks and publishing and digital operations—had a 4% increase in overall revenue in its 2012 fiscal year (which ended September 29, 2012), bringing that total to $19.4 billion. But the broadcast components alone lost 4% to $3.9 billion for fiscal year 2012. (In the quarter after that, ending December 29, 2012, revenues for the broadcasting arm of the network increased 6% compared to 2011.) According to the company’s filings with the SEC, some of that loss in the first nine months of the year was due to lower ABC prime-time ratings.

One area of potential revenue growth at ABC News is in the morning. According to estimates from Horizon Media ABC’s Good Morning America brought in $298 million in ad revenue compared to the Today show’s $848 million in 2011.\(^\text{17}\) Now that GMA has moved into first place, even by the narrowest of margins, it should begin to command more advertising dollars in that time period.

In 2011, Pew Research estimated that ABC’s news division revenues were about $650 million. If revenue at ABC News followed the same general trajectory as Disney’s overall broadcast arm, it would have declined 4% in the 2012 fiscal year, meaning that its revenues would be in the neighborhood of $624 million. But the strong start for the broadcast arm in the first quarter of the 2013 fiscal year could mean an uptick in revenues at the network news division.

**CBS**

When it comes to setting advertising rates, CBS has an advantage because it is the most popular network in prime time.

Over all, the CBS Corporation, according to the company’s SEC filings, enjoyed a 3% increase in revenue, to $14.1 billion in 2012 compared with 2011. This includes not just the CBS broadcast network, but also revenue from cable channels, including Showtime, as well as local television and radio operations, book publishing and outdoor advertising, according to SEC filings.

Entertainment revenue, which includes income from the CBS network, had a 3% increase to $7.7 billion in 2012, according to the company’s SEC filing. This was due to higher revenues from the licensing of
television programs, driven by higher licensing revenues from digital streaming as well as domestic and international syndication and greater network affiliation fees. Advertising revenue also increased slightly.

In 2011, Pew Research estimated that CBS News earned about $430 million in revenue. If its revenue trajectory mirrored that of the company’s entertainment division, it would have also seen 3% growth in 2012, bringing revenue up to about $443 million.

NBC

NBC has a broader revenue model than the other networks since its parent company owns eight cable channels, including several that are not news related. Cable networks earn revenue from subscription fees while broadcast channels cannot. In 2012, NBCUniversal’s cable networks, not limited just to news, earned a combined $8.8 billion in revenue.

Three of those cable channels fall under NBC News—MSNBC, CNBC and CNBC World (an international business channel). This means NBC News can spread costs of its news division across more platforms, and not be dependent solely on broadcast advertising.

By Pew Research estimates, CNBC contributes more revenue to NBC News than any other unit, even though it has much smaller audiences than the NBC broadcast network.

SNL Kagan projects total net revenue at CNBC of $751 million in 2012, up 6% from 2011. MSNBC’s revenue was projected at $443 million, a 6% increase from 2011. And CNBC World’s revenue was projected at $23 million, a 22% increase from the year before.\(^\text{18}\)

NBC’s broadcast arm—which includes the NBC and Telemundo broadcast networks and locally owned stations—brought in $8.2 billion in revenue in 2012, a hefty 27% increase from 2011. The broadcast arm earned $5.8 billion in advertising revenue in 2012, a 37% increase from the previous year, with $1.2 billion of that coming from Olympic and Super Bowl ad revenue. NBC’s parent company reported that excluding those two mega-events, overall revenue was up only 4.5% over the previous year.

In 2011, Pew Research estimated that broadcast news revenue at NBC News totaled a little less than $860 million. If broadcast news dollars grew at about the same rate as the company’s entire broadcast arm, excluding the Olympics and Super Bowl, it would have gained another 4.5% in 2012, to about $900 million. NBC’s total news revenue, combining both cable and broadcast, comes to about $2.1 billion in 2012, up from about $2 billion in 2011.

**Personnel Changes and Staffing**

All three networks saw some changes in staffing and management in 2012, but the shifts were most significant at NBC.

NBC

In a controversial move, co-anchor Ann Curry was dismissed from the Today show in June 2012. Savannah Guthrie, who had co-hosted the 9 a.m. hour of the show for a year, took her place. Curry became the NBC
News national and international correspondent/anchor and Today anchor at large, but has not been seen much on the network since leaving the Today show.19

Perhaps the biggest news was the departure of news division president Steve Capus in early 2013, which seemed to be part of a bigger change of the corporate structure.

In July, Steve Burke, then the NBCUniversal chief, sent out a staff memo announcing that NBC would have a new division called the NBCUniversal News Group, composed of NBC News, CNBC, MSNBC and the Weather Channel, headed by Pat Fili-Krushel as the group’s chairwoman. Fili-Krushel previously was an executive vice president of NBCUniversal. She also had experience as an executive at ABC, where she ran the ABC television network, including ABC News, but she does not have direct experience in television news.20

That change in structure resulted in a series of subsequent changes in staffing. Capus, then the news president, as well as CNBC president Mark Hoffman and MSNBC president Phil Griffin all reported to Fili-Krushel.21 But Capus was not happy with this new arrangement, and in February 2013, resigned from his position. At time of publishing of this report, the position had not yet been filled.22

Antoine Sanfuentes, Capus’ deputy was tagged to replace him in the interim. He had been the news division’s Washington bureau chief, and was promoted to vice president of NBC News in October 2012. With that move, David Verdi was promoted to vice president of newsgathering, giving him oversight of NBC’s affiliate partnerships, and Ken Strickland became the Washington bureau chief.

In November 2012, NBC picked Alexandra Wallace to lead the Today show. Wallace had been the executive producer of the Nightly News from 2007 to 2009 and remains in her position as executive producer of Rock Center, a position she started in October.23 (Patrick Burkey is now the executive producer of Nightly News, a position he has held since 2011.) Don Nash joined Wallace as executive producer of Today in December, replacing Jim Bell, who left for a job at NBC Olympics. Nash had previously been a senior broadcast producer of the Today show. Bell was partly blamed for removing Ann Curry from Today’s anchor desk and replacing her with Savannah Guthrie.24

In July 2012, Microsoft and NBC separated from their online partnership when Comcast bought Microsoft’s 50% stake in the shared website, MSNBC.com. Most of the 300 employees working for the site stayed on with NBC after the acquisition, according to The New York Times. About 70 of them already worked in New York, where NBC News is based. Most of the other editorial employees were moved to New York. The roughly 100-member technical staff, including engineers and web developers, stayed in Washington State in a new office NBC is calling the NBC News Innovation Center.25

ABC

ABC shuffled staff in 2012 and introduced some new programming.

As a trial, Good Afternoon America aired for nine weeks starting in April when an ABC daytime show, The Revolution was canceled and before Katie Couric’s syndicated talk show began in September. Good
Afternoon America was modeled after Good Morning America and was hosted by GMA’s Josh Elliott and Lara Spencer, with appearances from other GMA staff members.26

Some of the more significant staff changes at the network involved journalists who made the jump from broadcast to cable. In 2012 White House correspondent Jake Tapper and 20/20 co-anchor Chris Cuomo both left for CNN.

CBS

At CBS, a number of the personnel changes involved the rollout of the new morning show, CBS This Morning, which debuted with co-anchors Charlie Rose, Gayle King and Erica Hill in January 2012. In August, CBS pulled Hill from the anchor desk and put the network’s chief White House correspondent, Norah O’Donnell, in her place.

In addition, Byran Pitts, a contributor to 60 Minutes and chief national correspondent for the CBS Evening News left the network in March 2013 for ABC News, where he will be chief national correspondent and anchor.

For more on the staffing changes at the different networks, visit here.

News Content

An examination of the content of network news programs based on data for the first five months of 2012 reveals substantially different news agendas for the morning and evening network newscasts as well as some distinctions by network. These decisions about which topics and stories to cover reflect, on the one hand, the editorial differences dictated by time slot—traditionally, the morning shows air “softer” more lifestyle-oriented coverage than their evening counterparts. But at the individual network level, they also represent branding efforts to distinguish one newscast from another.

Typically, some of stories that generated more attention in the morning in 2012 were celebrity scandals, such as the death of singer Whitney Houston (2% of the newshole compared with less than 1% in the evening) and former vice presidential candidate John Edwards’ extramarital affair (3% compared with 1% in the evening). At the same time, the presidential campaign was a substantially bigger story in the morning (22% of the newshole) than in the evening (14%). This can be at least partly explained by the fact that the results of major campaign events, such as debates and primary elections, are not known until nighttime, well after the evening newscasts have concluded.

Conversely, in the evening several major news topics generated more attention than in the morning, including the economy (7% of the evening newshole vs. 3% of the morning newshole) and unrest in the Middle East (4% vs. 2%).
Another way to examine news agendas and priorities is to see where news stories originated. In the first five months of 2012, the amount of foreign datelines for the three networks combined decreased sharply, by 30% compared with 2011. That may reflect the number of big overseas news events that occurred in 2011.
At the individual network level, the news agendas for the ABC, CBS and NBC evening programs differed somewhat in 2012. Perhaps the most obvious distinction was ABC’s tendency to devote the most coverage to lifestyle-oriented and entertainment stories while CBS devoted the least.

When it came to more traditional hard news topics in the first five months of 2012, CBS Evening News and NBC Nightly News both filled 15% of their airtime with news about campaigns and elections, whereas ABC World News filled less, 12%, of its newshole with the same subject. Government news accounted for 8% of its newshole on NBC, compared with 5% at CBS and 4% at ABC.

Looking at lighter topics, ABC World News devoted 11% of its newshole to lifestyle stories, compared with 6% at NBC Nightly News and 2% at CBS Evening News. News about celebrities and entertainment filled 2% of the newshole at ABC, 1% at NBC and less than half of a percentage point at CBS.

A separate Pew Research examination of the structure or formatting of the network newscasts reveals remarkably little change in the programming formula over the years.

The analysis of content in 2007 and 2012 found that in the evening, there was virtually no shift in the percentage of airtime devoted to story packages, which dominate those newscasts—82% in 2007 compared with 79% in 2012. The same stability was seen in the use of interviews, which decreased from 6% in 2007 to 4% in 2012 and in live staff reports, which edged up from 3% in 2007 to 4% in 2012.

And while the morning news program formats differ noticeably from those in the evening, here too there was negligible change over the years. The percentage of airtime on the morning news shows allotted to
packages inched up from 51% in 2007 to 53% in 2012 while interview time diminished slightly from 29% to 27%.

The study also showed that story lengths for the evening newscasts have not budged either. In 2007, the average evening story package lasted 141 seconds. In 2012, it lasted 142 seconds.

For more on network news content, visit a study of network news content, here.

**Digital**

The three commercial broadcast networks with news divisions looked toward digital ventures to expand their audiences in 2012. A big part of this in 2012 related to the coverage of the presidential campaign. Among other things they streamed coverage online of the nominating conventions since they covered less of it on television than in 2008. Twitter and Facebook were also used more by the networks to cover the election in 2012 than in 2008. For example, NBC flashed tweets at the bottom of TV screens during convention coverage and set up hashtags to gather tweets.

At the same time, the networks seemed to project different digital strategies and identities. ABC has attempted to experiment more, as evidenced by its recent partnership with Yahoo. CBS News’ online presence by comparison, is quite basic. And NBC News may have had the most significant digital development in 2012 when it underwent a major restructuring of its website, the full implications of which are still not known.

**Digital Audiences**

Comprehensively measuring digital audience across the various digital platforms is already difficult and for network news became all the more challenging in 2012 as NBC took full ownership of MSNBC.com and ABC News began a content partnership with Yahoo, which combined the two websites in traffic counts.

The merger gave ABC an edge as two of the three main metric organizations rank it above the other two.

Both comScore and Nielsen rank ABC News first while NBC ranked first according to Hitwise (CBS was not included in the Hitwise count because it was not one of its top 25 sites).

It is difficult to compare online audiences for the news networks in 2012 compared with 2011. ABC’s online news visitors are now combined with Yahoo’s, because of their partnership established in 2012. NBC figures are also not comparable year to year as in 2011; NBC News’ sites were still part of MSNBC. For CBS, the one network with comparable data, there was clear growth - By comScore’s measurement, CBS News’ average monthly unique visitors, 39.29 million in 2012, was almost twice as it was in 2011 (19.9
A major question for the networks going forward is how to monetize their digital traffic.

The networks do not release online revenue data, but there are estimates for online revenue for the broadcast networks overall. Veronis Suhler Stevenson has estimated that in 2012, that combined online revenue for CBS, NBC, ABC, Fox and CW as well as Hispanic networks equaled $6.3 billion, an increase of 25% from 2011. That represents 12% of the total broadcast revenue.

All three networks also had a presence on both Twitter and Facebook in 2012. These sites provide ways for networks to disseminate news and for audiences to communicate with news networks, programs and personalities.

On Twitter and Facebook, the network news divisions provide frequent news updates. Facebook updates from the news networks often ask viewers to comment on stories, asking people to weigh in with their own thoughts.

The nightly news and morning news programs also have separate social media presences. On both Twitter and Facebook, ABC World News and NBC Nightly News update throughout the day, but CBS Evening News posts only around its evening news broadcast.

For morning shows on Facebook, all three programs provided multiple updates throughout the day, but the Today show and Good Morning America both asked their followers questions about news stories and viewer opinions. Good Morning America also provided behind-the-scenes photos on its Facebook page.

The network morning news shows on Twitter often retweet their anchors and reporters news tweets. And in light of Robin Roberts’ (@RobinRoberts) illness, Good Morning America had a #TeamRobin hashtag.

Network news magazines also had a social media presence in 2012, as did many news personalities on each network.

The specific digital developments and strategies of the three networks in 2012 varied.
At ABC News, experimentation is a “main focus” of the company’s digital strategy.\(^{28}\) ABC News for example, in July 2010 became the first broadcast news organization to release an app for iPad and launched its Android app in June 2011. In 2012, its main experiment came in the partnership with Yahoo. The company also has a partnership with Univision in an English-language news website geared toward Hispanic Americans. That venture’s 24-hour news channel, Fusion, is expected to launch in the second half of 2013.

“The market is continuing to grow and shift — there are new entrants, new user expectations, new technologies — and we have to continue to try new things just to stay current, but also to learn how to optimize ABC News experiences going forward,” ABC News Digital’s senior vice president, Joe Ruffolo, told Poynter.\(^ {29}\)

Among other activity on ABC’s digital properties:

- ABC News released a Kindle Fire app for its news content in July 2012. According to the network, ABC News’ mobile traffic tripled since releasing apps on Android, iPhone and iPad. The Kindle app provides top news headlines, live news video and integrated social media tools.\(^ {30}\)

- In December 2012, ABC News launched a live daily web show tied to its Good Morning America franchise. The 15-minute show, called GMA Live, streams on goodmorningamerica.com at 9:15 a.m. on weekdays and is also available on demand.\(^ {31}\)

- Another way ABC News used technology in 2012 was Your Voice This Week, a segment of This Week that gave viewers the chance to ask George Stephanopoulos questions on Facebook and Twitter and even share photos with the show using Twitter hashtags.

- For the political conventions, ABC aired 30-plus hours of coverage online on ABCNews.com, Yahoo, Yahoo News, GoodMorningAmerica.com, and its iPad and iPhone apps. According to The Associated Press, ABC News’ online convention coverage mimicked a television newscast.

- For the presidential election, ABC News provided a social analysis partnered with Yahoo News’ The Signal to track hot topics on social media, Google Plus hangouts with key voting groups, a Storify feed with social media reactions and After, an anchored online morning program produced the day after each event that provided a wrap-up of what happened.

- In addition to its over-the-air coverage, ABC News online provide a separate stream of original digital-only programming hosted by GMA Weekend anchor Dan Harris, ABC News political director Amy Walter and Oliver Knox, who was then the Yahoo News White House correspondent.

- On mobile devices, ABC News saw traffic grow on election night, with 450,000 live video streams.\(^ {32}\) That night it also provided alerts to mobile users with geographic targeting, so alerts went out to the people in specific states.

CBS’ digital offerings are not as flashy as its competitions’, composed largely of apps for its main news outlets and extra online content for 60 Minutes on both computers and mobile devices. Its 2012
innovations were mostly focused on providing more streaming coverage from its website rather than branching out into new online programs or partnerships.

- For the 2012 presidential election, CBSNews.com live-streamed network coverage and results online on election night. It also provided interactive maps and exit poll data for viewers.

- For the political conventions, CBSNews.com also aired the full conventions online, in addition to pre- and post-broadcast webcasts.

- In October, CBS released CBS This Morning Reads, an online venture to connect CBS This Morning viewers with authors. Doris Kearns Goodwin’s Team of Rivals: The Political Genius of Abraham Lincoln was the first book chosen for the online book club.

NBC saw significant changes to its digital lineup in 2012, including renaming and restructuring its website and releasing a number of new digital products. These changes were overseen by Vivian Schiller, the former NPR president hired to head up the NBC News Digital division in 2011.33

In July 2012, NBC News acquired full control of MSNBC.com, renaming it NBCNews.com. Untangling the two will take “at least two years,” according to an NBC News article.34

The joint ownership of MSNBC.com by NBC and Microsoft seemed to work at first, but the companies moved apart over time, with different priorities and changes in the media business straining the collaboration, according to reports. (Not to mention that they’re physically far apart, too: Microsoft is in Washington State and NBC is headquartered in New York City.)

The change should end some brand confusion that existed between the properties since MSNBC is a cable channel with a prime-time lineup filled with liberal hosts and NBC is more of a traditional broadcast news organization. In July 2012, MSNBC.com became NBCNews.com, and in early 2013, MSNBC.com reemerged as a site just for the cable channel. Comcast now owns the entire digital business of NBC News.

In October 2012, NBC News Digital announced that NBCNews.com would be overseen by Gregory Gittrich, Today.com led by Jennifer Brown and MSNBC’s new site would be overseen by Richard Wolffe. Wolffe was already a journalist and analyst for MSNBC and will report to Schiller on operations but MSNBC president Phil Griffin on the editorial side. The other two will report to Schiller.35

For the election, NBC streamed coverage on NBCNews.com and NBCPolitics.com, but also used some other tools to report election news.

- The Zeebox social TV platform was used to push custom content to tablet users.

- Microsoft’s Xbox platform was used to engage viewers, using live streaming capabilities and on-demand video from the NBC News Xbox app and dashboard to push to users.

- Crimson Hexagon technology was used to measure public reaction on Twitter and Facebook on Election Day. It also pulled Instagram posts on ElectionGrams.com to make an interactive map of photos.
• In addition to livestreaming convention coverage for both conventions, NBC hosted online hangouts with some of its correspondents on Google Plus.

• NBC News also provided a Storify page that culled social media content about the presidential race.

• NBC News partners theGrio.com and NBCLatino.com also provided convention coverage on their sites.

Elsewhere on NBC’s digital field, new programs and partnerships emerged in 2012.

Dateline, the 20-year old newsmagazine, launched in July Dateline Chatline a social app aimed at increasing discussion of the program’s reports online. It brings together Twitter and Facebook discussions of Dateline’s programming to an app so viewers can discuss the show with strangers online, while watching the show. NBC Sports Group and Yahoo announced a content and promotional partnership in December. The two groups remained separate entities, but create original, made-for-web programming to appear on both websites.

In February 2013, NBC closed its hyperlocal site EveryBlock. The site allowed users to search for news stories by typing in addresses, zip codes or neighborhoods and was started under a grant from the Knight News Challenge in 2007. After that grant ended in 2009, EveryBlock was acquired by MSNBC. NBC News got ownership of the site when it acquired full control of MSNBC.com in summer 2012. Despite owning the site, NBC’s presence was limited to a small NBC logo on the site, leaving EveryBlock as an independent brand.

EveryBlock “is a wonderful scrappy business but it wasn’t a strategic fit with our growth strategy and — like most hyperlocal businesses — was struggling with the business model,” Schiller told Poynter.

PBS

While NewsHour, PBS’ main news program, lost audience in 2012, the program grew in online traffic and offered a number of innovations.

Audience

The NewsHour draws a much smaller audience than the network news programs on the commercial networks, as does most programming on PBS, the public broadcaster.

The NewsHour attracted an average of 977,000 viewers nightly during the 2011-12 season, according to the program’s research department, an 8.4% decrease from 1.1 million in the 2010-11 season and the lowest since at least 2008. The PBS NewsHour has an older audience. For the last five months of 2012, its audience’s median age ranged from 64 to 66.
The NewsHour’s ratings also decreased, from 0.7 to 0.68. (Ratings are the percentage of households with TVs turned to a given program.)

PBS had better success online.

Page views on the PBS NewsHour website were up 21%, to 38.8 million in the 2011-12 television season from 32.2 million the season before. NewsHour attributes the increase partly to the presidential campaign bringing more eyes to its website. NewsHour cited Google Analytics traffic data showing heavy visits to the site’s Vote 2012 coverage and economic reporting. The Vote 2012 site was also heavily featured in NewsHour’s broadcast coverage, which may have amplified its traffic. The Rundown, the site’s primary news blog, saw page views increase 42% in 2012. And the “Shields and Brooks” debate segment, which also airs on the NewsHour’s Friday night broadcast, saw more than double the website visits in 2012 as it did in 2011.40

News Investment

One of the big changes at PBS occurred in June 2012, when Jim Lehrer greatly reduced his NewsHour anchor role, cutting back to once-weekly appearances. Lehrer joined the show as a correspondent in 1975 and, according to The Washington Post, had anchored about 8,000 broadcasts.

Instead of having a solo anchor, the show turned to a revolving team of correspondents who anchor in teams of two: Ray Suarez, Gwen Ifill, Judy Woodruff, Jeffrey Brown and Margaret Warner. Lehrer anchors on Fridays and moderates Mark Shields and David Brooks’ weekly review.41 The program had already returned to a two-anchor setup in 2009 when it also took Lehrer’s name off of the title of the show,
easing the transition. The overall staff size remained stable, including at the satellite offices in Denver and San Francisco.

In March 2013, PBS announced that it was considering adding a weekend edition of NewsHour for the first time. Instead of being produced in the program’s studios in Arlington, Va., production for the weekend editions would be in New York. The program is planned to run a half-hour on Saturdays and Sundays. PBS would provide MacNeil-Lehrer Productions, the show’s producer, $3 million to produce the weekend edition.42

**Election Coverage**

The NewsHour devoted considerably more attention to the presidential conventions than its commercial broadcast network competition, with coverage from 8 p.m. until about 11 p.m. each day, whereas the three commercial network news operations condensed coverage to an hour. Convention coverage for NewsHour was anchored by Gwen Ifill and Judy Woodruff, making them the first pair of female journalists to co-anchor coverage of the major party conventions.

In addition to the broadcasts, the NewsHour provided further analysis of the conventions online with a 24-hour live stream and several other digital initiatives. One of these, The Political Checklist, was an online morning show in which NewsHour’s political editor, Christian Bellatoni, provided a summary of the convention. The NewsHour also streamed a midday show, Noon Update, that went over the day’s convention agenda. Another online program was The Doubleheader, with political analysts Mark Shields and David Brooks along with correspondent Hari Sreenivasan discussing “the sport of politics - and the politics of sport.” The NewsHour website also provided interviews with delegates, party leaders and voters as well as its Breakfast Panel Discussion with up-and-coming politicians, activists and party leaders.

PBS continued its project of crowdsourcing translations of convention speeches, State of the Union speeches and more, into various languages through a Corporation for Public Broadcasting grant of $420,000 and an extended partnership with Mozilla and the Participatory Culture Foundation.43 NewsHour asks its social media followers to volunteer to translate speeches using a free online tool. Those volunteers have helped to translate over 200 speeches into more than 50 languages.44

The NewsHour site also had a popular Political Party Quiz (a partnership with Pew Research) and an “AdLibs” widget that allowed users to create customized political ads based on their Facebook data.

**Economics**

The PBS NewsHour has become more dependent on foundations for funding in recent years. Three years ago, corporate underwriting made up 40% of the show’s total funding and foundation grants made up 30%. For the 2012-13 season, that more than flipped as corporate underwriting represented less than 20% of funding, while foundations made up 40%.

According to The New York Times, NewsHour faced a shortfall of as much as $7 million in fiscal year 2013 from what had been a $28 million budget.45
The shift has occurred through both a decline in revenue from corporate sponsors and an increase in foundation support. For the 2012-13 season, the show will receive funding from at least six corporations, on par with as far back as 2009 season. But they are giving smaller amounts - and over a shorter period of time.

At the same time, foundation grants and funding from foundations have grown. PBS NewsHour now has over 30 foundation grants in the 2011-2012 fiscal year. Those foundations include the Carnegie Corporation of New York, the Bill & Melinda Gates Foundation and the John D. and Catherine T. MacArthur Foundation. It also receives funds from the National Endowment for the Arts.

In March 2012, the NewsHour developed a “Friends of the NewsHour” initiative, a collaborative effort with local PBS stations to raise major gift donations from individuals.

In a separate corporate underwriting development effort, NewsHour is working with WETA in Washington and WBGH in Boston as well as National Public Media to raise more money for the program.

Other PBS News Programs

The Nightly Business Report, a show that had struggled in recent years, was sold to CNBC in February 2013. CNBC is the show’s third owner in as many years. In 2010, Miami public television station WPBT sold to Mykalai Kontilai, an entrepreneur and former mixed martial arts manager. Atalaya Capital Management, a hedge fund and Kontilai’s backer, took over in 2011.

PBS withdrew its financial support of Nightly Business Report in 2011 and stopped distributing it. American Public Television took over distribution of the show.

Rating decreases and Nightly Business Report’s only financial underwriter, Franklin Templeton Investments, pulling out in August, resulted in layoffs and the closure of the show’s Chicago Bureau.

In March 2013, the show moved production from its Miami home to CNBC’s New Jersey facilities. The format of Nightly Business Report stayed the same, despite the move. CNBC’s Tyler Mathisen joined existing co-anchor Susie Gharib at the anchor desk, but co-anchor Tom Hudson and 18 staff members left the program.

Another program, the Friday night public affairs show Need to Know, faces cancellation in June when its PBS contract expires. Production fees for that show, plus money its producing station, WNET, raised from donors would go to NewsHour if the show is canceled.46

Endnotes


4. In median prime time viewership for CNN, MSNBC and Fox News combined.

5. In 2012, these shows were The O’Reilly Factor on Fox News, Piers Morgan on CNN and Rachel Maddow on MSNBC. Combined, their audience was 4.7 million people.


27. Nielsen’s methodology changes make their numbers incomparable year-to-year and 2011 figures from Hitwise are not available.


39. The average audience for the 2009-10 season was 1,058,000 viewers. For the 2010-11 season it was 1,067,000.

40. PBS Research.


**Network: By the Numbers**

*By Emily Guskin, Mark Jurkowitz and Amy Mitchell of the Pew Research Center*

“*By the Numbers*” houses a comprehensive set of charts and tables telling the story of each media sector. For a narrative summary, visit the corresponding essay.

**Evening News Audiences**

After experiencing the first overall audience increase in a decade in 2011, network news audiences declined in 2012.

In the evening, an average of 22.1 million people watched one of the three commercial broadcast news programs on ABC, CBS or NBC in 2012, down 1.9% from 22.5 million in 2011.
ABC World News with Diane Sawyer and NBC Nightly News with Brian Williams both fell in viewership in 2012 (ABC decreased by 4.2% and NBC fell by 2.9%), while the third-ranked CBS Evening News with Scott Pelley went up by 2.8%.
Ratings, the percentage of households with TVs turned to a given program, were fairly flat in 2012. Combined average ratings for the three network evening news programs fell to 15.6 million in November 2012, from 15.8 million in November 2011.

NBC Nightly News led the other two programs in ratings for yet another year. ABC came in second in the ratings, followed by CBS, but the latter two grew modestly in ratings in 2012 while NBC remained the same.

Another measure of audience is share, which renders the newscast audience as a percentage of all households watching television during that time slot. Share was relatively flat in 2012, too. On average for the year it was 29.3 in 2012, down from 29.6 in 2011.1

When looking just at November, ABC’s share increased in 2012 to 11, tying with NBC for the first time since 2009. NBC’s share remained stable at 11 and CBS’ remained steady at 8.
Individual Networks: Evening News

ABC World News with Diane Sawyer saw dips in all audience measures in 2012. It lost an average of 327,600 viewers, or 4.2% of its audience in 2012, to 7.5 million viewers, on average. Ratings fell 4% to 5 and share fell by less than 1% to 10.2.

ABC World News Audience Decreases by All Measures

Source: Nielsen Media Research, used under license
PEW RESEARCH CENTER
2013 STATE OF THE NEWS MEDIA

SEE FULL DATA SET
The CBS Evening News with Scott Pelley, which has the smallest audience of the three evening news programs, was the only one to grow in 2012 - and it grew by all measures. Viewership for the Evening News increased by 2.8%, or 165,000 viewers, to an average of 6.14 million viewers. Ratings grew by 5% to 4.2 and share rose 2.5% to 8.1. This was the second year in a row that the CBS Evening News grew by all audience measurements.

**CBS Evening News Grows by All Measures**

*Year-to-Year Averages*

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
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<th>2011</th>
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<tr>
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<td>5.7</td>
<td>6.0</td>
<td>6.1</td>
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<tr>
<td>Ratings</td>
<td>4.2</td>
<td>4.1</td>
<td>3.8</td>
<td>4.0</td>
<td>4.2</td>
</tr>
<tr>
<td>Share</td>
<td>8.3</td>
<td>8.3</td>
<td>7.8</td>
<td>7.9</td>
<td>8.1</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license

Pew Research Center

2013 State of the News Media

NBC Nightly News with Brian Williams, which remained in first place among the evening news programs, lost an average of 255,600 viewers or 2.9% of its audience to 8.5 million viewers. Its ratings remained steady at 5.7 and its share decreased 2.7% to 11.
While the battle for viewers intensified on morning news shows in 2012, the overall audience dropped in 2012. An average of 12.6 million people tuned into one of the three network morning shows in 2012, down 4% from 13.1 million in 2011.
ABC’s Good Morning America edged out NBC’s Today Show for the first time in 16 years. Viewership at Good Morning America grew by an average of 135,100 viewers or 2.8% to 4.918 million. Ratings remained stable at 3.6 and share grew by 5.3% to 13.9.

**ABC’s Good Morning America Viewership and Share Grow**

*Year-to-Year Averages*

![Viewership and Share Chart]

Source: Nielsen Media Research, used under license

PEW RESEARCH CENTER
2013 STATE OF THE NEWS MEDIA

A new morning news show, CBS This Morning, debuted in January 2013. Its predecessor, The CBS Early Show, had been in third place and CBS This Morning actually did somewhat worse, slipping in viewership and share. Its viewership decreased by an average of 138,400 viewers, or 4.8%, in 2012 to 2.7 million. Its ratings remained stable at 2.1 and share dipped 1.2% to 8.2.
Long the most popular network morning news show, NBC’s Today Show, dropped across all measures in 2012. Its viewership decreased by an average of 521,900 viewers or 9.6% to 4.917 million, falling slightly behind ABC’s Good Morning America. Its ratings declined 5% to 3.8 and share fell 8% to 13.8.
Most television news magazine audiences declined again in 2012, but a couple of shows had increases in audience.

ABC’s 20/20 had an increase of 266,000 viewers or 5.4% in 2012 to 5.2 million viewers. Its ratings also grew 6% to an average of 3.5 and its share increased 2.8% to an average of 6.1.

ABC’s other newsmagazine Nightline, which had been winning its 11:30 p.m. (Eastern) time slot, was pushed back to 12:35 a.m. starting in January 2013 to make way for late night talk host Jimmy Kimmel to go head-to-head against Jay Leno (NBC) and David Letterman (CBS). Despite winning its timeslot, Nightline dipped in viewership by 222,300 viewers or 5.7% to 3.7 million. Nightline’s ratings dipped 3% to an average of 2.6 for the year and its share dropped 3%, to an average of 6.1.

On CBS, the long-time leader among newsmagazine shows, 60 Minutes, declined in viewership by an average of 483,900 viewers or 4.2% to 11.1 million average viewers. Its ratings dipped 2.6% to 7.1 and its share dropped 5.3% to 11.9.

CBS’ other news magazine, 48 Hours (which is called 48 Hours Mystery from January through September every year) also experienced a decrease in viewership, losing an average of 388,100 viewers or 7.2% in 2012 to 5 million. Ratings dropped 3.7% to 3.5 and share dropped 4.9% to 6.5.
Dateline NBC’s Sunday edition was the only other newsmagazine that had an increase in viewership in 2012. The program grew by an average of 425,300 viewers or 9% to 5.2 million viewers. Its ratings rose 10% to 3.4 and its share grew 4.5% to an average of 5.8.

Dateline NBC’s Friday edition was an entirely different story. Its viewership decreased an average of 925,100 or 16.2% to 4.8 million - the largest loss among the news magazines. Its ratings fell 14.5% to 3.3 and its share dropped 14.3% to 6.

The network’s newest news magazine, Rock Center with Brian Williams, has struggled with ratings, averaging 3.8 million viewers for the whole year of 2012. Comparing just the two months it aired in 2011 with the last two months in 2012, it was down 4.9% in 2012. Its ratings averaged 2.6 for the year, unchanged from the previous year, and its share was 4.4, up 10% from 4.0. The show has flipped around to different timeslots in its short life: When it premiered, it aired Mondays at 10 p.m. and moved to Wednesdays at 9 p.m. only three months later. A few months after that, it moved to Thursdays at 10 p.m. And in February 2013, it moved to Fridays at 10 p.m.
Sunday Morning Political Talk Show Audience

In the last six months of 2012, the race for viewers between the three Sunday network political talk shows was close, with Face the Nation on CBS averaging 2.97 million viewers, barely edging out NBC’s Meet the Press with 2.94 million viewers on average. ABC’s This Week came in third with 2.57 million viewers. Fox has had its own Sunday morning talk show for its broadcast affiliates, Fox News Sunday, which came in fourth place with 1.24 million viewers for the second half of 2012.
When looking at ratings for the three shows, Face the Nation and Meet the Press were tied at 2.2 with This Week close behind at 1.9. Fox News Sunday’s ratings were 0.9.
But when looking at share, Meet the Press garnered the largest share of the audience with 6.2, with Face the Nation in second with a share of 5.7, This Week in third with 5.0 and Fox News Sunday with 2.3.

Close Race for Share Among Some Sunday Morning Shows

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<th>Show</th>
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<tr>
<td>This Week</td>
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</tr>
<tr>
<td>Face the Nation</td>
<td>5.7</td>
</tr>
<tr>
<td>Meet the Press</td>
<td>6.2</td>
</tr>
<tr>
<td>Fox News Sunday</td>
<td>2.3</td>
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</tbody>
</table>

**Economics**

Figuring out the economics for the three network news divisions is a challenge since networks do not break out financial data for their news divisions publicly. Some market research firms do break down the revenue for network television overall. One, Kantar Media, estimated that over all the network television advertising revenue increased 10.6% for the first nine months of 2012 compared to the same period in 2011.²

According to estimates from the market research firm of Veronis Suhler Stevenson, advertising accounted for about 84% of overall network television revenue in 2012, with income from online and mobile
platforms accounting for another 12% and retransmission fees 4%.³

**Breakdown of Broadcast Revenue**

*Percentage Share of Total Revenue*

- Network & Local Station Advertising: 84.4%
- Online & Mobile Platforms: 12.0%
- Retransmission Fees: 3.6%

Source: Veronis Suhler Stevenson

**Note:** Broadcast television, by VSS’ definition includes advertising-supported over-the-air broadcasts by networks, station affiliates and independents, as well as programming delivered by online and mobile platforms. The segment excludes spending related to subscription programming distributed by cable or satellite operators but does include the retransmission consent fees that cable and satellite operators pay to broadcasters for the right to distribute their programming.

If we conduct our financial analysis of the network news divisions in 2012 based on how the networks fared over all, there is a basis for coming up with revenue estimates. If revenue at ABC News followed the same trajectory as Disney’s overall broadcast arm, it would have declined 4% in fiscal year 2012 to about $624 million. If CBS News revenue mirrored that of the company’s entertainment division, growing at 3%, its revenues would have been about $443 million. And if NBC’s broadcast news division grew at roughly the same rate as the company’s entire broadcast arm, that would represent an increase of about 4.5%, to roughly $900 million.

**Bureaus**

Network news organizations often choose to keep their bureau information under wraps. CBS and NBC provided details for their bureaus in 2012, but ABC has not provided updated information since 2010.
As was the case with domestic bureaus, CBS and ABC provided updated information about foreign bureaus in 2012. The most recent information from ABC is from 2010. CBS closed bureaus in Moscow, Paris, Baghdad, Islamabad, Kabul, Tel Aviv, Amman, Hong Kong and Johannesburg since this list was last updated in 2008. NBC opened a bureau in Johannesburg.

### Foreign Bureaus

<table>
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<tr>
<th>ABC (13)</th>
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Source: Networks
Note: ABC last updated in 2010. CBS and NBC updated in 2012.

### News Content

A Pew Research Center analysis of the news stories covered by the three commercial broadcast networks in the first five months of 2012 reveals a different agenda for the morning and evening newscasts. The presidential election and the shooting death in Florida of Trayvon Martin got more attention in the morning news hours than other topics, including the economy, the war in Afghanistan and unrest in the Middle East, which all took up a larger percentage of the newshole during evening news broadcasts.
There were some differences in the news agenda of the three evening network newscasts in the first part of 2012.

For example, in the first five months of 2012, CBS Evening News and NBC Nightly News both filled 15% of their airtime with news about campaigns and elections, whereas ABC World News filled less, 12%, of its newshole with the same subject. When it came to government news, another “hard” news topic, NBC filled 8% of its newshole with news about government, compared to 5% at CBS and 4% at ABC. CBS also provided markedly more foreign coverage than the other network evening news programs, with 12% of its coverage looking at foreign news. Only 8% of NBC Nightly News’ coverage was of foreign stories and 6% at ABC World News.

Looking at lighter topics, ABC World News devoted 11% of its newshole to lifestyle coverage, compared with 6% at NBC Nightly News and 2% at CBS Evening News. News about celebrities and entertainment filled 2% of the newshole at ABC, 1% at NBC and less than half a percentage point, 0.3% at CBS.
The amount of time devoted to news on nightly newscasts (namely, non-commercial, promo and teaser time) decreased by 1.6% in 2012 to 18.8 minutes out of the 30-minute broadcast. The time devoted to news had been on an upward trend since 2004 but has decreased in the past two years.

For more on network news content, visit a study of network news content, here.
In 2012, the amount of foreign datelines for stories from the three networks decreased sharply, by 29%, compared with 2011. When looking at the networks individually, overseas datelines at ABC decreased by more than a third in 2012, after a 11% decline in 2011. CBS decreased 21% after growing 37% in 2011 and NBC decreased 35% after growing by 20% in 2011.

**Foreign Datelines Decrease at All Networks**

*Year-to-Year Hours of Programming With a Foreign Dateline*

![Graph showing foreign datelines decrease at all networks from 1996 to 2012.](source: ADT Research)

Digital Audience

There is no easy way to comprehensively measure the total audience that accesses network news digitally. With the growth of mobile platforms, this is becoming even more difficult to measure. And in 2012, ABC News and Yahoo agreed to a content partnership, which means the traffic count for ABC News includes Yahoo’s site as well. And NBC split from MSNBC in 2012, which probably affected traffic figures.

Three organizations measure online audience and they each do it a bit differently, which results in different numbers. Two of them, Nielsen and comScore are most alike. They base their measurement off a panel, like Nielsen rating panels, and members of the panel have software on their computers that records and extrapolates the websites they visit. They also both include mobile data. The third organization, Hitwise, on the other hand, buys data from internet service providers to see which websites are visited most, and this does not include mobile data. Nielsen and comScore are beginning to add similar ISP data to their count.

With these caveats, by two of the measures listed here, ABC News attracts more unique visitors than the CBS and NBC digital sites. According to Hitwise, ABC News also brought in a lot of monthly visits, but NBC edged it out. CBS was not included in the Hitwise count because it was not one of its top 25 sites.
1. By using the numbers Nielsen prefers, one month rather than annual averages, share for network news actually grew (looking at November). For five months of the year, share decreased, for four months it remained the same, and for three months, it increased, but all changes were slight. Share was stable at 29 for the first seven months of 2012.


Network TV Glossary

**Bureau**
An office for gathering or distributing news. Similar terms are used for specialized bureaus, often to indicate geographic location or scope of coverage: a Tokyo bureau refers to a given news operation's office in Tokyo. Foreign bureau is a generic term for a news office set up in a country other than the primary operations center. A Washington bureau is an office in the capital that covers news related to national politics and government in the United States.

**Prime time**
The hours on weekdays between 8 p.m. and 11 p.m., in which the average audience is measured by Nielsen. On Sundays, the prime-time hours are 7 p.m. to 11 p.m.

**Rating**
A percentage measure of total households or population owning TVs who are tuned to a particular program or station at a specific time (e.g., a six rating for women 18-49 means 6 percent of all women 18-49 in the defined geographic area were viewing that station or program), according to the Television Advertising Bureau.

**Share**
The Television Advertising Bureau defines share as the percent of households (household share) or persons (P2+ share) using television who are tuned to a specific program, network or station at a specific time.
**Viewership**
Collectively, the viewers of a television program.

**Backgrounder**

**ABC**

- White House correspondent Jake Tapper left ABC News for CNN in December 2012. Jonathan Karl became the new chief White House correspondent and Martha Raddatz took on an expanded role as chief global affairs correspondent.

- Yunji de Nies left ABC News in June 2012. She was most recently based in Atlanta covering the Southeast for ABC News, while also filling in on World News Now (an overnight news program that airs from 2 a.m. to 3:30 a.m. Monday through Friday). Previously, she was a White House correspondent.¹

- Chris Bury, a 30-year ABC News veteran and Nightline became a correspondent for ABC’s World News and Good Morning America, but remains a reporter at Nightline, too. Longtime producer Jon Banner also left Nightline for a communications position at PepsiCo.²

- Correspondent Sharyn Alfonsi left ABC News to be a contributor to Showtime’s 60 Minutes Sports in January 2013. She had been a correspondent and anchor for CBS News before leaving for ABC in 2008. CBS News’ 60 Minutes co-produces 60 Minutes Sports.³

- 20/20 co-anchor Chris Cuomo left the network in January 2013 to join CNN for a role in a new morning show. He will also anchor and report on major events for the CNN. David Muir replaced Cuomo as co-anchor of 20/20, joining Elizabeth Vargas at the anchor desk.

- In February 2013, Susan Saulny joined the Washington bureau of ABC News. She came from The New York Times where she worked for 12 years.

**CBS**

- In November 2012, CBS This Morning named Brian Applegate as senior broadcast producer and Matthew Glick as new senior producers overseeing guest bookings. Applegate was executive producer for CBS News’ overnight news show and 4 a.m. program. Glick had worked for NBC News and helped launched Rock Center with Brian Williams.

- Norah O’Donnell moved to CBS This Morning in August 2012, replacing Erica Hill as anchor. This left O’Donnell’s chief White House correspondent position open, which National Journal’s Major Garrett filled in November.

- Margaret Brennan, previously a Bloomberg TV anchor, joined CBS News in July 2012. She is primarily assigned to the State Department, but is also a general assignment reporter in Washington.⁴
Michael Radutzky was named executive producer of CBS News’ new creative development unit in October 2012. The goal of the new unit is to find “innovative ways to create and distribute CBS News content” on cable, broadcast and other platforms. Radutzky will remain in his position as senior producer for 60 Minutes, a role he has been in since 2006. He has worked for 60 Minutes since 1995. 

Armen Keteyian was named a full-time correspondent for 60 Minutes Sports in October 2012. Keteyian will continue to contribute occasionally to CBS News broadcasts.

Amy Robach left the weekend Today show in May 2012. She had been co-anchor of the Saturday edition since 2007 and left NBC News as her contract expired. She is now a correspondent for ABC’s Good Morning America and substituted as an anchor for that show while Robin Roberts was on medical leave.

The show also said goodbye to weather anchor Janice Huff on the Sunday edition, with Huff continuing to work as chief meteorologist at WNBC, the network’s New York affiliate. The show’s senior producer, Andrea D’Ambrosio left to take a job at Dr. Oz.

In October, Willie Geist, a co-host of MSNBC’s Morning Joe, joined the Today show as a co-host of the 9 a.m. hour. He remains in his role on Morning Joe during the 6 a.m. hour, but stopped hosting the show Way Too Early, which came on at 5:30 a.m. before Morning Joe on MSNBC.

After losing her job at CBS This Morning in July, Erica Hill took a job with NBC as the weekend anchor of the Today show in November 2012. This put Jenna Wolfe, who had been the Sunday co-host, out of a job. She agreed to stay on Weekend Today as a news reader, a position generally considered a less important role than co-host. Instead of being just on the Sunday show, Wolfe now reads the news on Saturday and Sunday.

In September, Dylan Dreyer was named Weekend Today’s weather anchor. That means the entire show had a new cast by the end of 2012.

The ratings-plagued Rock Center was restructured in 2012, and the founding executive producer, Rome Hartman was replaced by Alex Wallace. Wallace also oversees Ann Curry’s new production unit and the news division’s health initiatives. Hartman shifted to the specials unit of NBC, focusing on election coverage.

In November, Alexandra Wallace was named as executive in charge of the Today show and Don Nash was named executive producer of the show. Nash had been senior broadcast producer of Today previously.

Meaghan Rady, previously a producer for Tom Brokaw, became deputy Washington bureau chief in October 2012. She had been a senior producer for the Today show.

In February 2013, David Axelrod, the former White House senior adviser and strategist for President Barack Obama’s campaigns, joined NBC News and MSNBC as senior political analyst.
Endnotes


By Jesse Holcomb and Amy Mitchell of the Pew Research Center

Cable news continues to operate with more stability than most other news sectors today. But financial growth tapered off in 2012, and audience figures started to show signs of languishing—at least raising the question of whether there is a ceiling for this niche news genre.

The three main news channels—CNN, Fox News Channel and MSNBC—saw a less positive revenue picture than in years past. Fox and MSNBC continued to grow both total revenues and profits in 2012, but at slower rates. Total revenues at CNN, meanwhile, were flat and for the second time in three years the channel’s cash flow decreased.

The total day and prime-time viewership inched only slightly upward in 2012, an election-year gain that paled in comparison to the audience growth that occurred during the previous presidential race. Individually, MSNBC saw the greatest audience gains and for the first time, surpassed CNN in two key ratings metrics, daytime and total day viewership.

There were more signs in 2012 that CNN’s continued ratings woes were impacting the channel financially. In addition to declines in ad revenue, subscriber revenue—which has accounted for a bigger slice of CNN’s revenue pie in recent years—also grew at a weaker rate. While CNN has been a leader online, with a strong audience and a slate of digital products and experiments under its belt, that has yet to translate into a cash cow. Digital sales and advertising account for about 10% of CNN Worldwide’s total revenue, which includes its sibling cable channel, HLN.\(^1\) And though the hiring of former NBCUniversal chief Jeff Zucker to head CNN Worldwide signals an opportunity for CNN to reset its trajectory, it will still be a big challenge to turn CNN’s brand of straight news and global reporting back into a cable success story.

Conversely, MSNBC’s ratings growth over the last two years (it was the only channel to experience gains across the board) has yet to yield comparable gains in revenue. That may well change, though, as long-term contracts come up for renewal and advertisers come to recognize the growing influence of the channel.

And Fox News Channel, though still by far the ratings leader, saw viewership figures that, by at least one critical measure, were flat—even in an election year. That could curb its robust economic growth in the years to come. For now, though, Fox is holding strong, and there were no major signs during the year that the channel was altering its lineup or programming strategy.

For all three channels, the potential impact of digital disruption hovers overhead. So far, the kind of audience migration experienced by the newspaper industry is less clear for television-based news. Indeed, data on “cord-cutting”—consumer cancellation of a pay-TV service (such as basic cable) without signing
up for another (such as satellite service)—remain mixed and inconclusive. But, cable subscriptions, new
data suggest, may have peaked in 2011 at around 101 million households. And industry leaders, including
Time Warner CEO Jeff Bewkes in November 2012, worried publicly about the impact of “cord nevers”—
those consumers, often younger, whose media culture simply does not and may never include a monthly
subscription to a traditional cable package.

And as the demand for video news is met by an increasing number of players in the digital platforms, from
The Huffington Post and The Wall Street Journal to YouTube, it naturally brings more competition for the
legacy cable news brands.

**Signs of a Saturation Point for Cable News**
The election year brought slight ratings growth to cable news channels over all. But the bump fell short of
2009 viewership, which is to date the high-water mark for cable news.

Median viewership at CNN, Fox News and MSNBC combined was up 3% in prime time, 2% during the day,
and 1% across a full 24 hours, according to ratings data from Nielsen Media Research (by contrast, prime-
time viewership shot up 35% for the news channels during the last election year, 2008). These aggregated
viewership numbers have hovered around roughly 3.3 million from 2010 onward through 2012 in prime
time, and around 1.9 million during the day.

Viewership measured using the mean calculation, however, registered a 10% gain year over year. (The
median is the middle in a series of numbers arranged in order of size, while the mean is the average,
calculated by dividing the total by the number of cases. Mean is more easily influenced by temporary
spikes or dips in ratings—in this case, the presidential election—and is thus not as good a measurement
as median for assessing the typical monthly audience level. (For more on this, see the cable news data
section.)
Pew Research Center survey data from 2012 reinforce the sense of audience plateau. Between 2010 and 2012, the number of U.S. adults who said they watched cable news regularly fell 5 percentage points, from 39% to 34%. Meanwhile, the percentage of people who said they got news regularly from social networks rose 13 points to 20%, and those who got news regularly from a mobile device rose 6 points to 15%.

Both Fox News and CNN dropped 2 percentage points to 21% and 16%, respectively, though CNN was down 8 points since 2008. Those who watched MSNBC regularly remained flat at 11%.

What’s more, cumulative viewership, which measures how many individuals tuned in for at least one minute during the course of a month, was down for all of the cable news channels in 2012, according to the Nielsen data. It was the third time in four years that viewership, by this measurement, dropped across the board.

For CNN, a problem that had for years been noted in the prime-time hours seemed to spread to the rest of the day in 2012, as many viewers who had been captivated by CNN’s coverage of the global events of 2011 turned elsewhere when those stories went away, including those watching on digital news sources. The channel lost 4% of its viewers during the evening hours, but lost more during the day (14%) and across 24 hours (8%). CNN’s sibling channel HLN also lost viewers across the board, as the high-drama courtroom cases of 2011 fell out of view.

Indeed, for the first time, MSNBC surpassed CNN in two key ratings metrics—daytime and full-day viewership. Across 24 hours, MSNBC rose 8%, and during the business day (6 a.m.-6 p.m.), was up 9%.
MSNBC also added viewers in prime time—up 6% over 2011 levels—its strongest prime-time performance yet (2012 marks the third straight year that MSNBC beat CNN in prime-time ratings).

**MSNBC Beats CNN in Daytime for First Time**

*Note: For data availability and methodological details, see the Pew Research Center's report on the 2013 State of the News Media.*

Fox News Channel, which still has higher ratings than CNN and MSNBC combined, experienced weaker ratings gains than MSNBC. That comparatively small growth was striking given that 2012 was an election year, playing to Fox’s near singular focus on political news. During daytime hours, Fox was up 4%. Across the total 24-hour day, Fox was up just 2%. And in prime time, Fox was basically flat (with a loss just under 1% compared to its 2011 median viewership).

This follows two years of small but real prime-time declines for the top cable news channel and may suggest that the challenge of growing an audience on cable can extend beyond CNN and HLN. Robert Thompson, a television expert at Syracuse University, argues that cable news has reached a saturation point. “Fox figured out how to get a core set of viewers to watch their programs on a nightly basis, as opposed to tuning in to cable when there was breaking news,” Thompson told the Pew Research Center. “But it may be that those numbers are settling in to what will be the general size of the audience. They can’t expect constant growth.”

It would be one thing if cable news simply maintained itself as a niche medium with capped but stable ratings. But demographic factors could further weaken viewership in the years to come. Regular viewers of the evening talk shows, which tend to draw the highest ratings across cable news, are older, according to Pew Research data. The 50 and older audience makes up 66% of Fox’s Hannity, 64% of Fox’s O’Reilly Factor, 59% of MSNBC’s Hardball (close to 30% are 65 or over), and 57% of its Rachel Maddow Show. These figures have inched up in recent years, while those for younger audiences have declined. Instead, the
young 18-to-24-year-olds are turning to digital options: As many as 28%, according to Pew Research Center data, say digital news platforms are their sole source for news.7

No Single Economic Story
The economics of the cable news sector remained relatively strong in 2012, with revenues projected to increase modestly across the channels, though Fox, CNN and MSNBC were each positioned differently.

CNN’s Ratings Begin to Impact Revenues

CNN executives have for some time argued that the hand-wringing about the channel’s prime-time ratings trouble is misplaced. As recently as May 2012, Jim Walton, then CNN Worldwide president, argued that, since prime-time ad revenues represent only 10% of the CNN Worldwide revenue pie, it is misleading to suggest that the network stands or falls on that particular part of the day.8

Yet 2012, even more than recent years, brought evidence that the financial impact of weak ratings was catching up with the channel. Cash flow—a measure of profitability—was estimated to have dropped 5% for the channel, according to industry research firm SNL Kagan, even as it was expected to grow 11% for Fox and 4% for MSNBC. Total revenues were projected to inch upward 1% for CNN, compared with more robust growth for Fox (11%) and MSNBC (6%).

CNN’s weak revenue growth stemmed from flagging advertising on the network’s programs, which was down 4%. (Ad revenue was projected to have increased for the channel’s two competitors.)

CNN Experiences Decline in Ad Revenue

One buyer of TV advertising time said of CNN, “We would all like to see them be more competitive in prime time.”9 And The New York Times quoted a cable executive as saying the channel is “leaving ad
dollars on the table” as a result of its weak prime-time showing.\(^\text{10}\) (CNN’s ad rates for the time being remain relatively high—through a combination of factors, including the channel’s appeal to advertisers who prefer to avoid highly political programming, the relatively young, educated and racially diverse audience makeup, and the fact that CNN is more competitive in the early morning hours.)\(^\text{11}\)

Even CNN’s subscriber revenues, which were once a consistently strong source of revenue for the channel, are at stake. SNL Kagan projected that subscriber revenue (also known as license fees or carriage fees) would increase for CNN by 3%, far weaker than the growth projected for Fox (12%) and also weaker than MSNBC (4%). Perhaps more troubling, it was CNN’s fourth straight year of weakening subscriber revenue growth. (In 2009, the channel grew this source of revenue by 8%.)

As one cable company executive put it, “If you’ve got weak ratings, it’s leverage for us.”\(^\text{12}\) The weaker the ratings, the easier it is for cable providers to argue that the channel is non-essential, an argument that can flatten, if not reduce, the fee charged for each subscriber per month.

**All Channels Increase Subscriber Revenue, but More So at Fox**

*License Fee Revenues for Cable News Channels in 2011 Compared with Projections for 2012*

<table>
<thead>
<tr>
<th>Channel</th>
<th>2011 License Fee Revenue ($ millions)</th>
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*Source: SNL Kagan, a division of SNL Financial, LLC  
Note: All figures are estimates  
PEW RESEARCH CENTER  
2013 STATE OF THE NEWS MEDIA*

SEE FULL DATA SET

And because subscriber rates are the result of multiyear contracts between a channel and a cable company, the negative impact of recent ratings for CNN could linger for several years.

*The Fruits of MSNBC’s Popularity May Be Still to Come*

“We’re closer to Fox than we’ve ever been,” MSNBC president Phil Griffin said to The New York Times in November. “All of this is great for 2013, 2014 to keep building.”\(^\text{13}\)

Even a few years ago, it would have been harder to imagine MSNBC’s top brass positioning themselves in direct competition with Fox, the cable news leader. But 2012 marked the third year in a row that MSNBC
has beaten CNN in prime-time viewership, and the first year in which the channel has beaten CNN during the day. It also stands out as MSNBC’s largest viewership ever in both prime time and daytime. The channel has found its footing as a source of liberal news and viewpoints built around Rachel Maddow, Ed Schultz and Lawrence O’Donnell. Outside of the evening hours, MSNBC has cultivated buzz around its morning shows geared toward the Beltway crowd in Washington with Morning Joe and The Daily Rundown, and on weekends, it is showcasing young talent such as Chris Hayes.

Given MSNBC’s momentum, why is it that the channel still commands a smaller ad rate than its rivals, and a subscriber rate that is a fraction of CNN’s or Fox’s?

When it comes to advertising, MSNBC and Fox both continue to suffer from a ‘discount’ mentality that rewards CNN, even though CNN delivers fewer eyeballs. According to estimates by SNL Kagan, CNN’s CPM, or advertising rate per one thousand viewers for a 30-second ad, was $5.59 in 2011, the last year data were available. Though that number has fluctuated over the years, it has always been higher than Fox’s rate ($4.70, in 2011) and MSNBC’s rate ($4.19).

Despite audience growth at Fox and MSNBC, many advertisers continue to be squeamish about buying time on networks that generate controversy with the political opinions of their hosts and guests. In an interview with the Pew Research Center, media economics expert Gabriel Kahn, a professor at the University of Southern California’s Annenberg School, suggested that while these programs draw high ratings, the numbers sometimes amount to “empty calories” in the eyes of Madison Avenue.

MSNBC has also covered less ground than the other two channels in what they charge cable providers per subscribers. As of 2012, the channel averaged only 18 cents per subscriber per month, a small sum compared to Fox’s 89 cents and CNN’s 57 cents. But that gap may narrow once MSNBC’s ratings success translates into negotiating power on future carriage deals.
MSNBC’s subscriber rates continue to be low because, according to Derek Baine of SNL Kagan, some of the channel’s biggest carriage deals are not up for renewal for several years. Carriage negotiations are the venue in which television networks make the case to cable providers such as Time Warner Cable or Comcast that not only should they be carried in those companies’ offerings to consumers, but also that those companies should pay the networks a certain amount per subscriber per month. Those fees are then passed on to the customer as part of their monthly cable bill. If a channel is popular enough, it has the leverage to argue that it is a “must-carry,” and the channel’s per-subscriber fee will increase. (It also helps to belong to a large media company in possession of a number of other cable networks that can be packaged together as further leverage in carriage negotiations.)

Just as occurred at Fox, as carriage deals come up for renewal, MSNBC will certainly try to capitalize on its audience growth.\textsuperscript{14}

\textit{Fox’s Financials Still Strong, but Slowing}

The sharp growth in recent years of revenues and profits for Fox News Channel is showing some signs of slowing. That may be a function in part of the flattening viewership, but it could also just as well be that rapid growth will not compound on itself at the same rapid pace indefinitely.

In 2012, Fox’s revenues and profits were both projected to have increased by a healthy 11%. Still, that is smaller growth than Fox had grown accustomed to in recent years. Percentage growth in revenues has shrunk every year since 2008, when they increased by more than a third. And the channels profits that year increased by a massive 65%.

Some of that spike in 2008 was tied to renewed carriage deals, and therefore cannot be expected to continue year after year. But the channel’s ad rates grew more modestly in recent years.

And a major structural change on the corporate level in 2012 gave indication that Fox remains a key property in Rupert Murdoch’s media empire. Following pressures by shareholders and the British phone hacking scandal, Murdoch announced in December that News Corp. would be split into two companies, with publishing falling under the name of News Corp. and its television and entertainment divisions moved into a larger company, Fox Group. While it is yet unclear how this reshuffling will impact Fox News Channel and Fox Business Network (Chase Carey remains at the helm), the reorganization pleased investors, effectively quarantining the company’s newspapers.

\textbf{Questions of Brand Identity Exist—to Varying Degrees—at Each Channel}

The degree to which the cable news channels tinkered with their brand identities in 2012 tended to reflect their overall economic standing. The stronger the performance, the fewer the adjustments.

The ideological identities of both Fox News Channel and MSNBC have now been established for years. The Pew Research Center’s examination of the cable channels’ 2012 election coverage suggests that the politically polarizing coverage at these outlets, in many ways, got stronger and more extreme.
During a 10-week period in the spring and summer of 2012, only 14% of Barack Obama’s narrative on Fox programs was positive in nature, while 86% was negative. On the other hand, fully 44% of Mitt Romney’s coverage was positive, while 56% was negative. Another Pew Research study of the last stage of the campaign found that Fox’s coverage of Obama was more negative than the channel’s coverage four years earlier.

There was evidence, too, that the tone of MSNBC’s political coverage had grown even more partisan over the years. Pew Research found that during the final stretch of the 2012 campaign, MSNBC’s coverage of Romney more negative than the rest of the media in general. But additionally, the channel devoted less positive coverage to the Republican than it had four years earlier to John McCain. In the 2012 period, just 3% of MSNBC’s coverage of Romney was positive, while 71% was negative. In 2008, 10% of MSNBC’s coverage of McCain was positive while 73% was negative.

CNN’s coverage fell in between that of Fox and MSNBC. During the latter part of the 2012 campaign, 18% of the stories about Obama were positive compared to 21% negative, a mixed narrative. In Romney’s case, negative stories (36%) outnumbered positive (11%) by more than 3-to-1.

CNN

In the words of David Bohrman, former CNN Washington bureau chief, CNN is still “trying to figure out who they are when there is no crisis,” a puzzle that the network has been trying to solve for many years. CNN executives had suggested in 2011 that the channel had found its ratings groove when Mideast uprisings and natural disasters boosted viewership. But those viewership gains were short-lived, and in 2012, CNN experienced some of its worst ratings ever.

The dismal ratings, especially in prime time, came during a year when CNN took steps to tack away from politics—a subject dominated by Fox and MSNBC—and toward international coverage, leveraged by CNN’s strong global presence. The channel brought on celebrity chef Anthony Bourdain to create a travel show that would air on weekends. In June, CNN canceled John King, USA, its 6 p.m. political news program, due to poor ratings. In the same month, CNN transformed its noon hour to focus on international news. CNN’s Washington bureau chief Sam Feist told Politico that CNN’s “editorial direction is clear: we are the only U.S. cable news organization committed to worldwide newsgathering and reporting a broad range of stories without picking sides.” As the year came to a close, though, none of those changes had translated into a turnaround.

But the network gave itself another chance to sort out its identity issues and press the reset button: Key to this was the hiring of Jeffrey Zucker in December 2012, to succeed CNN Worldwide president Jim Walton. Zucker, known for his ability to attract top talent and for his devotion to and facility with television news, helped start the Today Show’s 16-year stretch of ratings dominance. Zucker was replaced as head of NBCUniversal when Comcast became majority owner of that company.

Once on board, Zucker wasted little time. In December, CNN announced that ABC correspondent Jake Tapper would be joining the network as chief Washington correspondent. Zucker was said to have had a
hand in closing the deal. And in January of 2013, CNN hired Chris Cuomo, former anchor of ABC’s 20/20, to co-host a revamped morning program with Erin Burnett. Zucker also brought on Rachel Nichols from ESPN to host a weekend sports program. Amid the rush of changes, CNN’s managing editor Mark Whitaker resigned from the network, citing the need to allow a “new leader with his own forceful ideas” implement his vision with a new team.\(^{23}\)

Zucker has said that he wants to “broaden the definition of what news is” and focus on CNN’s core strengths, which include its broad international newsgathering resources.

Zucker’s challenges will be multiple. The most obvious perhaps is convincing audience, through compelling personalities and formats, to choose CNN’s prime-time programming over Fox’s and MSNBC’s.\(^{24}\)

Another challenge is figuring out how to manage CNN’s vast newsgathering operation, which is made up of 45 bureaus and 4,000 staff members around the world in a way that complements and infuses CNN U.S.’s programming and in a way that ultimately grows revenues. About one-fifth of CNN Worldwide’s total revenue is generated from international subscriptions and advertising.\(^{25}\) But in the U.S., CNN International is available in just 16 million households and was projected in 2012 to bring in just $36 million in total revenue. The lack of availability in U.S. households may have something to do with a lack of demand, but according to Pew Research data, in 2012, Americans were far more interested in domestic news stories than foreign ones. Among the top 15 most followed stories, only two were focused internationally.\(^{26}\) And those were stories that had a distinct American angle—the summer Olympics and the attack on the U.S. consulate in Libya. If this more global approach to programming proves unsuccessful, it is questionable how many more hats the network can try on.

Finally, beyond the stylistic matters that Zucker will have to contend with lie the technological and demographic shifts that are changing news consumption. As CEO not just of CNN U.S., but of the global brand as well, Zucker faces with the challenge of making CNN relevant to the next generation of news consumers. That may translate to integrating new platforms and devices, as well as finding new ways to include audiences in the participatory news space. Frank Sesno, a former Washington bureau chief for CNN, told Pew Research, “Once upon a time, CNN changed the way news is gathered and consumed. It invented 24/7 global TV news. Zucker’s challenge is nothing less than figuring out how CNN can lead the next revolution in news.”\(^{27}\)

**Fox News Channel**

Though there was strikingly little change in program hosts across cable news over all in 2012, that was especially true at Fox. The conservative news channel’s prime-time lineup remained the same as it has for years, and there were also no notable changes during the daytime hours. Fox renewed the contract of its political news anchor Brett Baier through the 2016 election, as well as the contracts of Bill O’Reilly and Sean Hannity.\(^{28}\)
Fox arguably has little incentive to tinker with a lineup that consistently delivered more viewers, revenue and cash flow than CNN or MSNBC combined.

One thing to watch in the coming years, though, is whether the channel softens the tone of its political coverage.

After Republican Mitt Romney’s loss in the 2012 election, the GOP vulnerabilities with groups such as Hispanics and women prompted some soul-searching among important elements of the party. “The conservative movement should have particular appeal to people in minority and immigrant communities who are trying to make it,” said Florida Republican Senator Marco Rubio following the election. The American Conservative Union’s Al Cardenas said, “Our party needs to realize that it’s too old and too white and too male and it needs to figure out how to catch up with the demographics of the country before it’s too late.”

Conservatives also directed criticism at messages and rhetoric produced from within. David Frum, a former speech writer for President George W. Bush, said in an appearance on MSNBC in November that “the conservative followership has been fleeced, exploited and lied to by the conservative entertainment complex.” Frum’s words were widely interpreted as referring to the Fox analysts and pundits who consistently stoked the notion that Romney was headed to a victory. And in January 2013, Erick Erickson, a conservative blogger for the political website Red State, criticized the “purveyors of outrage” who reflexively attack the Obama administration.

If Republicans are talking about becoming a ‘bigger tent’ party that softens its harder edges, will Fox News—the network that White House communications director Anita Dunn early in the Obama administration once called “either the research arm or the communications arm of the Republican Party”—do the same? There is some evidence that Fox’s chief executive, Roger Ailes, has tacked in this direction before (see the Pew Research Center’s 2012 report), but no widescale overhaul of programming strategy seems to be imminent. The channel ended its contract with the 2008 Republican vice-presidential nominee, Sarah Palin, in early 2013, but that may have been more because of ratings than her brand of conservative rhetoric.

It was not just with programming strategy, or its lineup, that Fox did little by way of experimentation.

While other channels made forays into mobile technology investment (CNN with Zite) and social technology (NBCUniversal with Zeebox), Fox did little to move beyond the main screen that consistently delivers valuable appointment viewers to advertisers.

Nevertheless, Fox has been able to command a strong digital audience. It ranks No. 7 among the top 10 news websites in overall market share, according to Hitwise, and averages 22.5 million unique visitors per month, according to Nielsen Media Research, ranking it high among news properties, though consistently lower than CNN or MSNBC. And in social media, Fox’s high-profile hosts and anchors have among the biggest followings, and the network itself enjoys many "likes" on Facebook. Here, too, CNN outpaces Fox, and, at least in regard to Twitter followers, MSNBC does as well.
Fox did partner with Twitter on Election night to provide information for viewers about trending topics and other election-related Twitter activity. But they were not alone in expanding some digital offerings during the campaign. For instance, the major broadcast networks and cable channels offered the presidential debates as a free streaming service on their websites. CNN.com also provided a clip-and-share technology, allowing users to create their own custom clips of moments in the debate and share them on social networks. And the network teamed up with Facebook to offer a voting app for users of the social networking service.  

Fox’s lighter footprint in the digital space in some ways illustrates the larger problems faced by the cable industry in 2013. Financial growth continues to be in the forecast, though there is at least a vague sense among analysts that it is only a matter of time before digital disruption cuts into the business model. And there are no major signs yet that Fox executives are planning to remodel their business to accommodate the sharp changes in news consumption and technology, or even the political fault lines in America.

**MSNBC**

MSNBC, meanwhile, was still smoothing out the implications of its embrace of a liberal point of view to complement its traditional newsgathering and reporting, leveraged by the resources of NBC News. In September, MSNBC.com was renamed NBCNews.com to clarify some branding issues. The MSNBC.com name was a holdover from the days of the website’s joint ownership with Microsoft, though the content on the site represented all of NBC News, not just the cable channel. As the MSNBC news channel became associated more and more with a liberal point of view, there were concerns among NBC News executives that their web presence would be viewed as deriving only from the more ideological cable network. The
rebranding was an effort to promote the more established newsgathering institution as distinct from the progressive cable news channel.34

But judging from the programming decisions at MSNBC in 2012, the discomfort of mixing openly opinionated hosts with traditional newsgathering roles had eased. During the 2008 campaign, opinion hosts were barred from anchoring convention coverage, and at the time, some NBC News personnel expressed concern that the ideological flavor of MSNBC was tainting NBC News over all. By 2012, those concerns seemed to lessen, with openly liberal hosts Rachel Maddow and Chris Matthews anchoring convention coverage without any visible handwringing at the network. And MSNBC’s daytime programming, once the domain of more traditional news reporting, gave way to more panel-style opinion shows such as The Cycle.

**Competition for Audience Beyond the Major News Channels**

Amid some signs of an audience plateau among the major news channels, other cable news networks demonstrated a mixture of success, setback and consolidation in 2012.

That included new entrants into the field. At the time of this report publication, a new 24-hour news channel called Fusion, targeting Hispanics, was expected to launch in mid-2013, as a partnership between ABC News and Univision Communications. The channel, based in Miami, will have a staff of 400.35 Unlike Telemundo and MundoFox, Fusion is seeking to carve out a niche by appealing to Hispanic audiences but in the English language. (For more about Hispanic news media, see the Pew Research Center’s 2011 report.)

Another new entrant came as an online-only channel. HuffPost Live—a Huffington Post digital experiment featuring 12 hours of live video news per day—has done well on the engagement indicators at least, with the average visit lasting 13 minutes.36 (For more about this, see the chapter on digital news.)

Some of the existing niche channels, though, struggled in 2012.

Bloomberg TV, the financial news channel that never seemed to gain the kind of traction that its competitors CNBC and Fox Business Network have, conducted a series of major layoffs throughout the year. In November, the channel laid off nearly 100 people in its London bureau.37 That was on the heels of a March layoff of up to 30 reporters, producers, associate producers, editors and others in a move to focus more on digital newsgathering. In 2009, the channel laid off 100 from its radio and TV divisions.38

And in early 2013, Al Gore’s Current TV was sold to Al Jazeera, the deep-pocketed global news organization based in Qatar. The sale followed years of weak ratings for Current TV that continued despite multiple attempts to rebrand. Al Jazeera, though, has had its own troubles finding a subscriber base in the U.S. (for more on this, see the Pew Research Center’s 2012 report). And the sale did not provide an immediate sense of security for Al Jazeera. Just after the transaction was announced, Time Warner Cable dropped the channel from its offerings, which represents about 15% of the newly named Al Jazeera America’s subscriber base. While critics viewed this as a sign that Time Warner Cable had no appetite for Al Jazeera’s point of view, the cable provider argued that the reasons were simply business-
related. Current TV had a history of low ratings, and when the channel changed hands, Time Warner Cable took advantage of a clause in the contract allowing it to drop the channel.39

Al Jazeera English (a different entity than Al Jazeera America), the network’s English-language news channel aimed at a global audience, has faced difficulty aside from gaining a foothold in American cable tiers. In September, Al Jazeera made deep cuts at the English-language channel and turned it into a sports network, focusing on European soccer.40 At least 200 staffers have been relocated or laid off. (To learn more about AJE, read this Pew Research report about Arab-American news.)

These stories of varying degrees of success in cable news underscore the idea that the medium continues to be a strong news platform in many ways, even if the broader news audience is fragmented and somewhat small. It continues to hold strong revenue potential, even as there are no guarantees that a channel will catch on with a core viewership. Yet, there is evidence among even the most established channels, including Fox News, that growth and potential are not unlimited.

Will Broader Industry Changes Impact the News?
The stability of cable news ultimately depends on the stability of the pay-TV model over all—a model that would weaken if cord-cutting were to become a significant trend.

There are many ways to slice the data about pay TV subscription trends. Some firms and analysts look at quarterly subscription tallies, while others look at year-over-year. Some look at just the number of total subscriptions, while others factor in growth in number of households over all. Some focus on traditional cable TV, while others evaluate the trends in all pay-TV services, such as satellite television.

The general consensus among those tracking the industry, though, seems to be that there has been already been a leveling off in the pay-TV business, at least in terms of total subscribers. And one report projects a 6% decline in total subscriptions between 2011 and 2017.41 Some analysts, including Derek Baine of SNL Kagan and Jose Alvear of Multimedia Research Group, argue that the decline is slow and relatively insignificant in the short term.42 Baine argues that the threat will be mitigated by TV Everywhere, which makes cable programming available on all devices yet keeps the content gated.43

Time Warner CEO Jeff Bewkes took a somewhat gloomier view when, in November 2012, he worried publicly about the impact of “cord nevers”—those consumers, often younger, whose media consumption habits simply do not and may never include a monthly subscription to a traditional cable package.44 Though the number of new U.S. households continues to grow, only a small percentage of those households are adding a pay-TV subscription.45

Faced with growing demand for digital content and more flexible subscription alternatives, the industry is taking some steps to meet consumers where they are spending more and more of their time.

In September, Bloomberg reported that Dish Network was in talks with Viacom over a deal to offer a small bundle of cable channels, streamed digitally, to consumers who did not necessarily subscribe to a cable TV package.46 Major providers, including Comcast and Time Warner Cable, have pushed ahead with a
digital authentication service that allows paying subscribers to access content on a variety of devices, not just the television set. And a start-up company called Tivli is accustoming college-age students to cable programming access on digital devices by offering a streaming service on some college campuses. All of these efforts are still in the very early stages.

The problem of a ceiling for cable subscription growth still has not translated into a serious economic problem for the industry, and it may not for a number of years to come. But when it does, it will certainly impact news channels' revenues, both from subscriber fees and from advertising. Fewer total subscribers translate into fewer fees, as well as fewer viewers, which cuts into advertising dollars.

In the meantime, the news channels are working to get more out of subscribers through increased fees, which they negotiate with cable providers. Fox has been more aggressive than the others in this regard, and its rate per subscriber was projected to rise by a greater percentage than either CNN's or MSNBC's. Ad rates have gone up for each channel, too, but by a steeper margin at Fox. Thus, even if in the coming years the potential and real audience declines due to cord cutting, the news networks will have squeezed more value out of the audience they have.

Continue reading Cable TV: By the Numbers

Endnotes


4. The leveling off of the cable audience extends beyond the news. Nielsen data from 2012 found a total year-over-year drop in cable TV viewing of 0.6%.


Audience

Cable viewership over all, for the three main news channels (CNN, Fox News Channel and MSNBC), inched up only slightly in 2012, an election-year gain that paled in comparison to the audience growth that occurred during the previous presidential race. That raised a question about whether there may be a ceiling for the audience in this sector.

Across the entire day, median viewership increased just 1% to 1.9 million, and mean viewership, 4%, to 2 million. CNN (down 8% in median viewership) and its sibling, HLN, (down 10%) experienced declines to their lowest levels since 2007, while MSNBC (up 8%) gained the most. Fox News Channel (up 2%) experienced weaker growth.

**Viewership Across Total Day Inches Upward**

*Sum of CNN's, Fox's and MSNBC's Total Day Viewership, in Thousands*

In prime-time median viewership, the numbers were up slightly from 2011 levels (3%) at 3.4 million viewers in a typical month for Fox News Channel, CNN and MSNBC combined. (The median is the middle in a series of numbers arranged in order of size, while the mean is the average, calculated by dividing the total by the number of cases. For more on how Pew Research calculates audience size, see the backgrounder.)
Mean viewership, however, registered a spike. The three main news channels averaged 3.7 million viewers, a 10% gain over 2011. The mean calculation, though, is more easily influenced by temporary spikes or dips in ratings, and is thus is not as good a measurement as median for assessing the typical monthly audience level. In 2012, the final months of the presidential campaign (September-November) lifted ratings high above 2011 levels for the same period. Yet for the majority of the year, viewership levels were about the same as—or lower than—the same month a year earlier.
CNN continued to struggle in prime time. Median viewership for the original 24-hour news channel was down 4% from 2011 levels to 626,000, erasing the gains made when events like the Arab Spring caused CNN’s audience to grow temporarily. Compared to the last presidential election year, 2008, CNN’s prime-time audience has been cut in half. Its sibling channel, HLN, fared even worse, losing 16% of its prime-time viewership.

Fox’s median prime-time viewership was flat in 2012 at 1.9 million, though it continued to be the biggest attraction of the news channels. MSNBC, now consistently the No. 2 news channel, took in 818,000 viewers in a typical evening, up 6%. But these levels are far from the double-digit gains that the channels experienced during the last election cycle.

**Only MSNBC Grows in Prime Time**

*Cable News Median Prime-Time Viewership, in Thousands*

Daytime cable viewership over all showed a slightly clearer pattern of modest growth than prime time did in 2012. The combined channels grew 2% to a median of 2 million viewers. In mean viewers, the growth was 4% to an average of 2.1 million. That is about on par with typical daytime viewership levels during the last election year, 2008.
The individual channels displayed similar patterns in daytime viewership as they did in prime time. CNN was down 14% in median viewership, to 406,000 (its lowest level since 2001). HLN dropped 6% to 234,000 viewers. MSNBC had the strongest year in daytime viewership, up 9% to 419,000 in median viewers—its highest viewership since the channel launched in 1996. Fox viewership rose 4% to 1.1 million viewers.
By yet another audience measure, cumulative viewership, or “cume,” all channels lost ground in 2012. This measure counts the number of individual (or unique) viewers who watch a channel for a minimum number of minutes over the course of a length of time, such as a week or a month. This had been one area where CNN often looked its best. In 2012, though, while CNN continued to lead its competitors, it declined 11% in cume viewers (those watching at least a minute over the course of a month), while Fox was down 7% and MSNBC, 5%.

One reason analysts often reject the cume measure is that viewers who tune in for only a minute can hardly be considered an audience. But if the threshold is raised to at least 60 minutes over the course of a month, the measure becomes somewhat more valuable. At this threshold, CNN in 2012 still led Fox and MSNBC in total numbers, though the gap was much smaller. Higher thresholds bring into focus the more
loyal audiences, which tend to favor Fox and MSNBC.)

A look at the average ratings of individual prime-time programs reveals just how much events like an election inflate political programs, and also how much the lack of other events—major disasters in the case of CNN or a blockbuster criminal trial in the case of HLN—can drag ratings down.

In prime time—the evening hours that matter most to advertisers—Fox dominated the other channels in ratings. But in the 8 p.m. hour, it was MSNBC alone that gained viewers, at 9% to a mean of 1 million viewers. Fox dropped by just under 1%, CNN 8%, and HLN, 42%. The sharp declines on HLN’s Nancy Grace are a reflection of the temporary, but intense, spikes during the program’s 2011 coverage of the Casey Anthony murder trial.

At 9 p.m., Fox and MSNBC experienced viewership gains, as their politically oriented talk programs capitalized on interest in the election. Hannity increased 10% to a mean of 2.3 million viewers, and Rachel Maddow’s viewership increased 15.5% to 1.1 million viewers. CNN’s high hopes for Piers Morgan’s interview program most likely deflated somewhat amid the program’s 18.5% decline to an average 584,000 viewers. And without a strong lead-in from Nancy Grace, HLN’s Dr. Drew also dipped in viewership by 47%.
MSNBC’s 10 p.m. program, Last Word With Lawrence O’Donnell, experienced the strongest growth of any prime-time news program on cable in 2012, growing 22% to a mean of 1 million viewers. Fox’s On the Record with Greta Van Susteren gained 11% to an average of 1.8 million viewers. On CNN, a replay of Anderson Cooper’s 8 p.m. program dove by 27%, averaging just 565,000 viewers in 2012. And a replay of Nancy Grace on HLN lost the channel 39.5% of its viewership from 2011 levels.

**CNN and HLN Also Lost Viewers at 10 p.m.**

*Average Number of Viewers During 10 p.m. Time Slot, in Thousands*

Source: Nielsen Media Research
PEW RESEARCH CENTER
2013 STATE OF THE NEWS MEDIA

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Economics

The 2012 economic projections by research firm SNL Kagan estimate that Fox News Channel was the most profitable of the news channels for the fifth year in a row. The channel was projected to have earned $986 million in 2012, up 11% from 2011 levels (though the rate of growth has slowed each year since 2008). MSNBC, a much smaller operation, was projected to have earned $203 million, a 4% increase. Of the three channels only CNN was thought to have been less profitable in 2012, earning $413 million (a 5% drop from the previous year). That would mark the second time in the past three years of decreased profits for CNN.

Fox News Channel Remains the Profit Leader

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Source: SNL Kagan, a division of SNL Financial, LLC
Note: All figures are estimates.

And once again, Fox was projected to have been the revenue leader, generating $1.8 billion—more than the combined revenue of CNN and MSNBC—and up 11% over 2011 revenues (though again, that growth rate has slowed each year since 2008). MSNBC was projected to have generated $443 million in 2012, up 6%. CNN was projected to have remained flat at $1.1 billion, up 1% from 2011 levels.
Even as its rate of revenue growth has slowed somewhat, Fox has still widened the gap with its competitors since the last election year.

Cable channels rely on two main revenue streams—subscriber fees (also known as license fees or carriage fees) and advertising. Other sources, such as licensing content to streaming services, are growing but still remain negligible for the news channels.
Cable News Relies Almost Entirely on Two Revenue Streams

Percentage of 2012 Cable News Revenue Coming from Key Sources

- License fee revenue
- Advertising revenue
- Other revenue

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<tr>
<td>Note</td>
<td>All figures are estimates. “Other revenue” according to SNL Kagan, is “all other revenue related to operating the basic cable network. Sales of T-shirts, hats and memorabilia are good examples of other revenue. Syndicated TV sales and leased access for infomercials are also examples of other revenue.”</td>
</tr>
</tbody>
</table>

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CNN’s Revenue Picture Increasingly Different From Fox’s and MSNBC’s

Percentage of Each Channel’s 2012 Revenues Derived from Various Streams

- Ad revenue
- License fees
- Other

<table>
<thead>
<tr>
<th>Source</th>
<th>SNL Kagan, a division of SNL Financial, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>All figures are estimates.</td>
</tr>
<tr>
<td>CNN</td>
<td>62.1% 30.6% 7.3%</td>
</tr>
<tr>
<td>Fox News Channel</td>
<td>58.2% 40.8% 1.0%</td>
</tr>
<tr>
<td>MSNBC</td>
<td>45.7% 53.4% 0.9%</td>
</tr>
</tbody>
</table>

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Fox was projected to have enjoyed robust advertising revenue growth in 2012, at 9% to a total of $737 million. MSNBC was projected to have increased its ad revenue as well, by 8% to $236 million. CNN, however, was projected to have experienced a decline (4%) to $335 million.

CNN Experiences Decline in Ad Revenue

Advertising Revenues for Cable News Channels

<table>
<thead>
<tr>
<th>Channel</th>
<th>2011 Ad Revenue ($ millions)</th>
<th>2012 Ad Revenue ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fox News Channel</td>
<td>673.8</td>
<td>736.8</td>
</tr>
<tr>
<td>CNN</td>
<td>347.8</td>
<td>335.1</td>
</tr>
<tr>
<td>MSNBC</td>
<td>219.1</td>
<td>236.3</td>
</tr>
</tbody>
</table>

Source: SNL Kagan, a division of SNL Financial, LLC
Note: All figures are estimates.
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Perhaps what has kept CNN from losing more ad revenue than it already has is its high ad rate. CNN’s viewers, though fewer, are more valuable to advertisers than either Fox’s or MSNBC’s. Its audience is younger, more diverse and more highly educated than that of Fox and MSNBC. And its relatively neutral coverage has been seen as a “safe space” for advertisers averse to controversy.
Each of the three main news channels was projected to increase its subscriber revenues in 2012. Fox was expected to lead with 12% growth to a total of $1.1 billion. MSNBC was projected to grow 4% to $202 million. And CNN was projected to grow the least of all at 3%, to $680 million.

**All Channels Increase Subscriber Revenue, but More So at Fox**

License Fee Revenues for Cable News Channels in 2011 Compared with Projections for 2012

<table>
<thead>
<tr>
<th>Channel</th>
<th>2011 License Fee Revenue ($ millions)</th>
<th>2012 License Fee Revenue ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fox News Channel</td>
<td>$937</td>
<td>1,051</td>
</tr>
<tr>
<td>CNN</td>
<td>660</td>
<td>680</td>
</tr>
<tr>
<td>MSNBC</td>
<td>195</td>
<td>202</td>
</tr>
</tbody>
</table>
While all rates have steadily been increasing over the years, Fox’s have grown the fastest, in part due to the channel’s aggressive negotiations with cable providers, which have allowed the channel to lock in rate increases for years. The channel was expected to receive 89 cents per subscriber per month in 2012, more than CNN (57 cents) and MSNBC (18 cents) combined.

But MSNBC’s growth in this area may still be ahead as its trend of steady ratings growth earns the channel more negotiating power with cable providers when its multiyear carriage contracts are up for renewal.

### Fox Monthly Rate Approaches a Dollar per Subscriber

*Cable News Monthly Revenue per Subscriber, in Dollars*

![Graph showing monthly revenue per subscriber for CNN, Fox News Channel, and MSNBC from 2003 to 2012.](image)

Source: SNL Kagan, a division of SNL Financial, LLC

Note: All figures are estimates.

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### Fox and MSNBC Exceeded Projections for 2011

*Cable Profits and Revenues, Actual Versus Projected, in Millions of Dollars*

<table>
<thead>
<tr>
<th>Channel</th>
<th>2011 Projected Profit</th>
<th>2011 Actual Profit</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN</td>
<td>$595.8</td>
<td>$435.4</td>
<td>-$160.4</td>
</tr>
<tr>
<td>Fox</td>
<td>869.2</td>
<td>887.6</td>
<td>18.4</td>
</tr>
<tr>
<td>MSNBC</td>
<td>186.6</td>
<td>195.1</td>
<td>8.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Channel</th>
<th>2011 Projected Revenue</th>
<th>2011 Actual Revenue</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNN</td>
<td>$1,294.2</td>
<td>$1,086.5</td>
<td>-$207.7</td>
</tr>
<tr>
<td>Fox</td>
<td>1601.5</td>
<td>1627.5</td>
<td>26.0</td>
</tr>
<tr>
<td>MSNBC</td>
<td>409.3</td>
<td>418.2</td>
<td>8.9</td>
</tr>
</tbody>
</table>

Source: SNL Kagan, a division of SNL Financial

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### News Investment

Each of the three main news channels was projected to have spent more on the news in 2012. Fox continued to outpace the other channels in spending, with an estimated $820 million, up 11% from 2011.
CNN, though no longer the leader, has nearly kept pace with Fox. It was projected to increase expenditures by 5% to $682 million. And MSNBC, which shares newsgathering operations with the wider NBC News, was projected to have spent $240 million, an increase of 8%.

SNL Kagan separates the various expenditures made by the channels into two general categories: Program expenses, which are generally tied to specific programs, including host salaries, and SG&A (selling, general and administrative expenses), or the overhead costs related to a channel.

Historically, and again in 2012, CNN and HLN invested more of their budget on overheads costs tied to the vast newsgathering infrastructure represented by CNN’s dozens of bureaus and large news staff around the world ($371 million versus $311 million on programs). Fox and MSNBC, on the other hand, spent the vast majority of their budgets on specific programs ($610 million at Fox and $189 million at MSNBC), and increased that portion of their respective budgets more than the overhead portion. In the case of Fox, this reflects its emphasis on its high-profile hosts; in the case of MSNBC it also reflects its share of the newsgathering costs over the whole of NBC News. Fox was projected to have spent $210 million on overhead in 2012 and MSNBC $51 million).
In terms of both staffing and bureaus, CNN has a larger overall operation than either Fox or MSNBC. Exact staffing numbers are hard to come by. CNN reports that it has approximately 4,000 employees, yet this does not account for smaller changes in staffing, such as layoffs in spring of 2012, or the staff cuts at Jakarta, Bangkok and Jerusalem bureaus in February 2012. Both Fox and MSNBC declined to provide 2012 staffing numbers to the Pew Research Center, each stating that it is too difficult to provide an accurate number given the fluid nature of staffing and resources across the various properties held by each organization. The numbers that have been provided in the past are somewhat outdated, but still give a sense of scale. Fox told Pew Research in February of 2011 that it had 1,272 employees, and MSNBC told Pew Research in 2007 that it had 600 staff members at the time.

CNN continued to operate many more bureaus than at either Fox or MSNBC (MSNBC utilizes the bureaus of NBC News). The total number of bureaus utilized by the three outlets did not change in 2012. However, CNN did remove its Seattle and New Orleans bureaus from its list as of early 2013, and added a bureau presence in Singapore. And NBC News added a bureau presence in Johannesburg. Fox reported no changes to its list of bureaus.
For more data on how cable news reporting and news gathering has changed over the years, see Pew Research Center’s special report.

### Digital Trends

The leading online measurement firms compute digital traffic in different ways, so their raw numbers do not match up. But they each reveal in their data that cable news brands are among the top news destinations.

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**CNN Has More Bureaus Than Fox and MSNBC Combined**

<table>
<thead>
<tr>
<th>CNN (12) Domestic Bureaus 2012</th>
<th>Fox (11)</th>
<th>MSNBC (7)</th>
<th>CNN (33) Foreign Bureaus 2012</th>
<th>Fox (6)</th>
<th>MSNBC (14)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Atlanta (HQ)</td>
<td>Atlanta</td>
<td>Atlanta</td>
<td>Abu Dhabi</td>
<td>Baghdad</td>
<td>Baghdad</td>
</tr>
<tr>
<td>Boston</td>
<td>Boston</td>
<td>Burbank</td>
<td>Amman</td>
<td>Islamabad</td>
<td>Bangkok</td>
</tr>
<tr>
<td>Chicago</td>
<td>Chicago</td>
<td>Chicago</td>
<td>Baghdad</td>
<td>Jerusalem</td>
<td>Beijing</td>
</tr>
<tr>
<td>Dallas</td>
<td>Dallas</td>
<td>Dallas</td>
<td>Bangkok</td>
<td>Kabul</td>
<td>Cairo</td>
</tr>
<tr>
<td>Denver</td>
<td>Denver</td>
<td>New York (HQ)</td>
<td>Beijing</td>
<td>London</td>
<td>Frankfurt</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Los Angeles</td>
<td>Miami</td>
<td>Beirut</td>
<td>Rome</td>
<td>Havana</td>
</tr>
<tr>
<td>Miami</td>
<td>Miami</td>
<td>Washington</td>
<td>Berlin</td>
<td>Johannesburg</td>
<td></td>
</tr>
<tr>
<td>Minneapolis</td>
<td>New York (HQ)</td>
<td>Buenos Aires</td>
<td>London</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>San Francisco</td>
<td>Cairo</td>
<td>Islamabad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Orlando</td>
<td>Seattle</td>
<td>Dubai</td>
<td>Kabul</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silicon Valley (San Francisco)</td>
<td>Washington</td>
<td>Havana</td>
<td>Moscow</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washington</td>
<td>Hong Kong</td>
<td>Tehran</td>
<td>Istanbul</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Islamabad</td>
<td>Tel Aviv</td>
<td>Jakarta</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| | | Jerusalem | }

**Source:** CNN, Fox News Channel, and NBC News (MSNBC does not have any bureaus of its own)

**Note:** CNN refers to its operations around the U.S. and abroad as “editorial operations/bureaus.” NBC News states that in addition to its foreign bureaus, it maintains a “presence” in Beirut, Jordan, Rome, South Korea, Saudi Arabia, Syria, and Turkey.

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And web traffic to those brands has risen over the years. (For more on digital trends in the news industry, see the digital chapter.)

**Digital Traffic On the Rise for Cable News Brands**

*Average Unique Monthly Visitors (in Thousands) to the Websites of CNN, MSNBC and Fox News Channel*

<table>
<thead>
<tr>
<th>Rank</th>
<th>Domain</th>
<th>Share</th>
<th>Total Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td><a href="http://www.msnbc.msn.com">www.msnbc.msn.com</a></td>
<td>2.13%</td>
<td>1,096,295,903</td>
</tr>
<tr>
<td>5</td>
<td><a href="http://www.cnn.com">www.cnn.com</a></td>
<td>2.02%</td>
<td>1,006,425,806</td>
</tr>
<tr>
<td>7</td>
<td><a href="http://www.foxnews.com">www.foxnews.com</a></td>
<td>1.70%</td>
<td>838,014,419</td>
</tr>
</tbody>
</table>

Source: Experian Hitwise

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Financial News Channels

Among the financial news channels, CNBC remained by far the leader in overall revenues and profits in 2012. Still, The Fox Business Network and Bloomberg TV grew financially at higher rates. Fox Business's revenue grew by 15% and for the first time was expected to turn a profit. Bloomberg TV increased its revenues by 10% and its profits by 14%. CNBC increased revenues by 6% to $751 million, nearly double that of its sibling MSNBC.
Fox Business Network executives have long maintained that the channel would reach profitability by 2012; projections by SNL Kagan indicate that the channel met its goal. The steady growth has been aided by the expansion of FBN’s availability in households. Since 2007 when the channel launched, it has expanded its subscriber base by 78% from 35 million households to 63 million in 2012.

**Fox Business Network Reached Profitability in 2012**

*Estimated Profits, in Millions of Dollars*

Source: SNL Kagan, a division of SNL Financial, LLC
Note: All figures are estimates.
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2. This was the first edition of Economics of Basic Cable Networks in which SNL Kagan reported CNN’s financial estimates as separate from those of its sibling channel, HLN. Previous editions of State of the News Media have reported combined figures for the two channels.

Cable-Glossary

**Bureau**
An office for gathering or distributing news. Similar terms are used for specialized bureaus, often to indicate geographic location or scope of coverage: a Tokyo bureau refers to a given news operation’s office in Tokyo, Japan; foreign bureau is a generic term for a news office set up in a country other than the primary operations center; a Washington bureau is an office, typically located in Washington, D.C., that covers news related to national politics in the United States.

**Cable system**
A video distribution system that uses coaxial cable and optical fiber to deliver multichannel service to households within a geographically defined franchise area (Webster, J. et al., from Ratings Analysis: The Theory and Practice of Audience Research).

**CPM**
The cost an advertiser pays for every thousand viewers who watch a 30-second television ad (cost per thousand, in industry terms). For example, if Nielsen estimates that 1 million people watch Fox News on a given day, a 30-second ad would cost $3.97 times a thousand (or $3,970 per ad). These costs vary depending on the show and day part.

**Cumulative audience measurement**
A way of measuring audience. “Cume” is short for cumulative audience. This calculation refers to the number of individual (or “unique”) viewers who watch a channel for at least a minute over the course of a span of time, such as a week or a month. Cume is sometimes referred to as “reach” in the industry.

**Daytime**
Daytime refers to the hours between 6 a.m. and 6 p.m., in which the average cable audience for that time period is measured by Nielsen Media.

**Prime time**
Prime time refers to the hours between 8 p.m. and 11 p.m., in which the average audience is measured by Nielsen (on Sundays, the prime-time hours are 7 p.m. to 11 p.m.).
**Programming costs**
The expenses incurred by a cable programmer in the production of original programming and the purchase of rights to non-original programming.

**SG&A**
Selling, general & administrative expenses. These include any overhead costs not directly associated with programming at a cable channel.

**Subscriber fees**
Also known as license fees, subscriber fees come to cable channels indirectly from viewers. The channels are paid the fees by cable systems (in exchange for their programs), which in turn recoup that money in cable bills to consumers. The amounts of those fees are negotiated with the cable systems based on an estimate of how many subscribers the system will have during the life of the agreement.

**Viewership**
Measurement of how many people are in an audience.

**Backgrounders**

**Median vs. mean in audience measurement**
Audience trends in television can be measured using one of two calculations: median and mean.

This report offers the numbers in both forms.

The cable news channels prefer to calculate their year-to-year ratings by converting the Nielsen ratings data into annual “averages” using the mean. Academic advisers to the Project have persuaded us, however, that the median is a better indicator of core audience.

Here is why.

Mean, or simple average, is calculated by taking each month’s ratings, adding them together and dividing by the number of months. By that accounting, wild fluctuations in the audience due to occasional events can heavily influence the numbers.

Median examines all the monthly numbers in a year and identifies which one is most typical, or falls in the middle (the middle value).

Esther Thorson, associate dean for graduate studies and research for the University of Missouri’s School of Journalism, explains the choice of median rather than mean this way: The median is a better indicator of central tendency when there are extremely high or extremely low observations in the distribution. Those 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. Very high levels of cable viewing during a big event pull the mean too far away from realistic viewing scores. For that reason, the median is the better indicator of typical viewing levels.

For instance, in 2003, when the war in Iraq began, mean viewership numbers showed the cable news business booming — up 34% for daytime and 32% for prime time from the year before. But using the
median, the middle value of the 12 months of that year, the picture that emerged was that cable viewership was basically stable. It showed no growth during the day and a gain of just 3% in prime time. How can that be? The reason is that cable news did not retain the audience that it gained during those first weeks of the war. Median was a better reflection of a year in which viewership spiked only for two months and then fell back down again.

In 2006, the median numbers actually meant better news for cable channels. Taking the average viewership for 2006 and comparing it to 2005 shows a significant decline in the cable news audience — down 11% for daytime and 12% for prime time. But using the median, there was a decline of just 4% during the day and 8% in prime time. Thus in times of major breaking news, mean can help the numbers. But in years when there are fewer major events, the mean will suffer. The spikes, when using mean, can cut both ways.

In short, our research team and the staff at the Pew Research Center believe the median is the fairest way to try to understand the core audience for cable, given the volatility of ratings spikes. The mean, or simple average, tends to be disproportionately inflated by the spikes and, consequently, also exaggerates any declines in cable audiences when those spikes do not occur. In contrast, median offers a truer sense of the core or base audience, those people who are watching day in and day out, without ignoring the cumulative effect of the size of the audience that gathers momentarily if extraordinary things happen.

The two revenue streams of cable
Cable TV channels generate revenue through two streams: advertising and subscriber fees.

Advertising makes up a little less than half of the revenue the channels generate each year.

Cable news channels do not earn as much from advertisers as the broadcast networks or some sports or niche entertainment networks. In large part, this is because the ratings for cable news for any one program are fairly low. The ratings of the highest-rated cable show, The O'Reilly Factor, are still only about half of that of the lowest-rated evening network newscast, the CBS Evening News, for instance, and most cable programs are only a fraction of that.

Ad revenues are the total number of ads sold, multiplied by the average number of viewers (in thousands), which is then multiplied by the CPM.

The other source of revenue is subscriber fees, also referred to as license fees.

The viability of subscriber fees as a strong area of future growth, though, may be threatened by the emergence of broadcast networks commanding costly retransmission fees. If cable operators must pay broadcast networks to carry their programming, the operators may then decide to keep the subscriber fees of smaller, niche cable channels — which draw smaller audiences than the networks — flat, or even reduce them.

The highest fees are typically paid for sports and general entertainment channels. The highest is the $4.77 per subscriber per month, commanded by ESPN (2011 data, provided by SNL Kagan).
Local TV: Audience Declines as Revenue Bounces Back

By Deborah Potter of NewsLab, Katerina-Eva Matsa and Amy Mitchell of the Pew Research Center

The long slow decline in viewership of local television news resumed in 2012 after a brief respite the previous year. While stations devoted more of their available air time to local news, that wasn’t sufficient to halt the decline in viewership. Early-morning newscasts continued to gain viewers, but that increase was more than offset by losses in most other time slots.

Advertising revenues grew in 2012, thanks to an unprecedented flood of political advertising. But the bounty was unevenly distributed, going to stations in presidential battleground states and those with high-profile races. Despite the surge, total ad revenue still fell short of three previous election years.

There was some good news for local stations on the digital front. Many ramped up their news offerings and, in several notable cases, became market leaders online. The spread of pay walls on newspaper websites boosted the digital audience for some local TV sites. But digital revenues remain a fraction of stations’ income.

Audience

Local television news on the air suffered a reversal of fortune in 2012, losing audience in every key time slot, including those that gained viewers the year before. In most nontraditional time slots, viewership stagnated. And the total audience for all local news programs combined was smaller than the year before. The strategy of gaining viewers by adding more and more time for news appears to have stopped paying off.

Local TV remains a top news source for Americans with almost half saying they watch regularly, but future demographics do not bode well. According to a Pew Research Center survey, the number of adults under 30 who are regular local news viewers has dropped precipitously, from 42% in 2006 to just 28% in 2012.1 “Television is not the preferred news source in an era of personalized on-demand news,” said Diane Mermigas of the consulting firm Mermigas on Media.2
The broadcast audience numbers are sobering, but they are only part of the new reality for local television. “Are they watching us as much? No. But our online numbers are up dramatically,” said Scott Blumenthal, executive vice president for LIN Media. “We are not a TV station anymore as much as a provider of news on multiple platforms.”

While local TV has made progress growing a digital audience, its main business for now remains over the air, and that business is losing customers.

The uptick for some newscasts on network affiliates in 2011 appears to have been a one-time blip, as these programs lost all of that gain and more in 2012. ABC, CBS, Fox and NBC stations saw their audience in the three key time slots — morning, early evening and late — drop by more than 6% on average.
stations’ newscasts in prime time, when most of them air local news, fared even worse. They lost more than 9% of their audience on average, the fourth year in a row their viewership has declined.

The bad news was spread almost evenly throughout the year. In every sweeps period we studied, local newscasts lost audience. Despite major, long-running news stories like the presidential election campaign and the slow recovery of the U.S. economy, fewer Americans tuned in to local TV news in 2012. It didn’t help that major events drawing massive audiences fell outside of the sweeps periods during which television viewership traditionally is measured. The London Olympics drew an average of 31 million viewers to NBC every night and probably boosted viewing of local newscasts on NBC affiliates, but the games opened two days after the end of the July sweeps period. The presidential debates also drew big broadcast audiences but all three of them took place in October 2012, before the start of November sweeps.

The biggest problem for local TV news is a drop-off in television viewing in general - not just for news. In May, for example, the only broadcast network that gained viewers in prime time was the Spanish-language Univision, driven by the growth of the U.S. Hispanic population. All of the top four television networks saw their prime-time ratings slide, from CBS at the low end with a 5% loss to Fox at the high end with a loss of 25%. As a result, local stations’ newscasts find themselves competing for a piece of a shrinking pie.

The evidence lies in the audience measurements most critical to local TV stations: ratings and share. In almost every sweeps period in 2012, both share and ratings were down for the key news time slots. But for the third year in a row, the audience for local news programs measured by ratings dropped more sharply than the stations’ share of those people who actually have their televisions on at news time. With fewer people watching broadcast TV in general, local stations have little hope of reversing the long-term decline in audience for news in key time slots.

Morning news from 5 to 7 a.m. had been the exception to the downward trend in viewership, holding relatively steady for three years in a row. That positive performance ended in 2012 as the audience declined almost 5% on average. Two other morning news time slots did see audience growth, but not nearly enough to make up for that loss.

The number of stations airing news at 4:30 a.m. was up 14% in 2012, and viewership increased 13% on average, a healthy jump but a far cry from the triple-digit increase the year before. The time slot showing the biggest increase in viewership was at 4 a.m. The number of stations airing news at that hour dropped to 32 from 34 the year before, but the audience grew by 19% on average. Even so, the total number of viewers for news at 4 a.m. hovered around 200,000, a tiny fraction of the 2.6 million who watch half an hour later and the 11 million who tune in from 5 to 7 a.m.

Local news in other nontraditional time slots lost audience in 2012. Newscasts at midday and following the network news at 7 p.m. had added viewers the year before but those gains vanished. Midday newscasts were relatively stable, losing just 2% of their audience, but viewership fell 5% for 7 p.m. newscasts, even though the same number of stations aired news at that hour.
Breaking down the numbers by affiliation, the pattern is clear and consistent. Local stations are losing viewers almost across the board, with the only gains coming in time slots with the smallest audiences.

### Total News Viewership for ABC, CBS and NBC Affiliates

<table>
<thead>
<tr>
<th>Time Slot</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>4:43 a.m.</td>
<td>87</td>
<td>108</td>
<td>24.5%</td>
</tr>
<tr>
<td>4:30-5 a.m.</td>
<td>1,351</td>
<td>2,109</td>
<td>13.9%</td>
</tr>
<tr>
<td>5-7 a.m.</td>
<td>10,142</td>
<td>9,592</td>
<td>-5.4%</td>
</tr>
<tr>
<td>7-8 a.m.</td>
<td>178</td>
<td>178</td>
<td>0.1%</td>
</tr>
<tr>
<td>Noon-1 p.m.</td>
<td>7,714</td>
<td>7,569</td>
<td>-1.9%</td>
</tr>
<tr>
<td>5-7 p.m.</td>
<td>21,413</td>
<td>19,918</td>
<td>-7.0%</td>
</tr>
<tr>
<td>7-7:30 p.m.</td>
<td>10,841</td>
<td>10,281</td>
<td>-5.2%</td>
</tr>
<tr>
<td>10-11 p.m.</td>
<td>210</td>
<td>209</td>
<td>-0.2%</td>
</tr>
<tr>
<td>11-11:30 p.m.</td>
<td>24,713</td>
<td>22,695</td>
<td>-7.4%</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research  
Note: Numbers are rounded and percentage change is calculated based on the raw data.

### Total News Viewership for Fox Affiliates

<table>
<thead>
<tr>
<th>Time Slot</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>4:43 a.m.</td>
<td>92</td>
<td>105</td>
<td>13.9%</td>
</tr>
<tr>
<td>4:30-5 a.m.</td>
<td>408</td>
<td>448</td>
<td>10.1%</td>
</tr>
<tr>
<td>5-7 a.m.</td>
<td>1,567</td>
<td>1,663</td>
<td>0.3%</td>
</tr>
<tr>
<td>7-8 a.m.</td>
<td>2,259</td>
<td>2,228</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Noon-1 p.m.</td>
<td>416</td>
<td>401</td>
<td>-3.6%</td>
</tr>
<tr>
<td>5-7 p.m.</td>
<td>2,195</td>
<td>2,102</td>
<td>-4.3%</td>
</tr>
<tr>
<td>7-7:30 p.m.</td>
<td>581</td>
<td>567</td>
<td>-2.4%</td>
</tr>
<tr>
<td>10-11 p.m.</td>
<td>6,209</td>
<td>5,637</td>
<td>-9.2%</td>
</tr>
<tr>
<td>11-11:30 p.m.</td>
<td>1,349</td>
<td>1,332</td>
<td>-1.2%</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research  
Note: Numbers are rounded and percentage change is calculated based on the raw data.

Fox affiliates also added the most audience in time slots with the smallest viewership, and their steepest loss was in the time slot where Fox stations draw their largest local news audience, at 10 p.m. Eastern Time or equivalent. Most Fox stations air an hour of news in prime time because their network offers no programming at that hour and does not provide an evening newscast. Those newscasts lost 9% of their audience on average in 2012, almost double the rate of loss they suffered in each of the previous two years.

The morning newscasts that Fox affiliates air opposite network programs on ABC, CBS and NBC still have not shown any signs of growth. Although about 10 more Fox stations added local newscasts at 7 a.m. in 2012, the average ratings for those programs declined just over 1%, continuing a virtual flat line that began four years earlier.

Independent stations, those not affiliated with one of the top four broadcast networks (ABC, CBS, Fox and NBC), also lost local news viewers in 2012, after gaining viewers in the previous two years. Their news
audiences shrank in almost every time slot, although the number of markets in which they aired local news was virtually unchanged.\textsuperscript{8}

<table>
<thead>
<tr>
<th>Total News Viewership for Independent Stations</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-4:30 a.m.</td>
<td>14</td>
<td>8</td>
<td>-35.1%</td>
</tr>
<tr>
<td>4:30-5 a.m.</td>
<td>44</td>
<td>41</td>
<td>-6.5%</td>
</tr>
<tr>
<td>5-7 a.m.</td>
<td>165</td>
<td>146</td>
<td>-6.1%</td>
</tr>
<tr>
<td>7-8 a.m.</td>
<td>342</td>
<td>349</td>
<td>2.2%</td>
</tr>
<tr>
<td>Noon-1 p.m.</td>
<td>135</td>
<td>123</td>
<td>-9.1%</td>
</tr>
<tr>
<td>5-7 p.m.</td>
<td>381</td>
<td>336</td>
<td>-11.9%</td>
</tr>
<tr>
<td>7-7:30 p.m.</td>
<td>117</td>
<td>122</td>
<td>4.5%</td>
</tr>
<tr>
<td>10-11 p.m.</td>
<td>916</td>
<td>972</td>
<td>6.1%</td>
</tr>
<tr>
<td>11-11:30 p.m.</td>
<td>193</td>
<td>175</td>
<td>-9.2%</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research  
Note: Numbers are rounded and percentage change is calculated based on the raw data.

The numbers suggest that efforts to increase the audience for local TV news by offering it at more convenient times for viewers have, so far, failed. “I think we have so fractured the audience that’s just not plausible anymore,” said Bob Papper of Hofstra University, who conducts an annual survey of news directors.

**Digital Audience**

As viewership for local television news declines, stations have increasingly turned to digital platforms in an attempt to expand their reach. “Younger audiences aren’t coming to the newscast,” said John Cardenas, president and general manager of WTHR in Indianapolis. “We still have to connect with them.”\textsuperscript{9}

Through their websites, mobile apps and social media platforms, stations have been trying to capitalize on their strengths, including well-known local personalities, to draw a new audience. “The multiscreen experience is a very personal thing for our news operations,” said Del Parks, engineering and operations vice president at Sinclair Broadcast Group, who says viewers know so much about local anchors it is “absolutely jaw dropping.”\textsuperscript{10}

One opportunity for local stations to grow their digital audience has surfaced in markets where newspapers have instituted online pay walls or reduced the free content they make available online. (See Newspaper Chapter for more) Some TV websites in those markets already have seen a boost in traffic. In Greenville, S.C., the Gannett newspaper site used to lead the market in unique visitors but after a hard pay wall was introduced, it fell behind three local TV stations, according to comScore data.\textsuperscript{11} In Greensboro, N.C., each of the three local television stations draws more users than the Landmark-owned newspaper site, which requires users to pay for access to its e-edition.\textsuperscript{12}

Local TV sites also have taken the lead in Albuquerque, N.M.; Tulsa, Okla., and Des Moines, Iowa, thanks largely to newspaper pay walls. And the business model of local TV suggests that station sites will remain free. “For TV, online generates what TV considers ‘extra revenue’ and helps bring at least some
additional audience to the TV screen,” said Bob Papper. Elmer Baldwin, president of Internet Broadcasting, whose company provides online content management for television stations, said he “wouldn’t be surprised” to see more than half the top 75 markets dominated by a TV website within five years.

Local stations still have a lot of ground to make up to beat newspapers in online audience. According to The Media Audit’s annual ranking, three of the top five local media websites in the country are TV sites: KSL in Salt Lake City, Utah; WRAL in Raleigh, N.C., and WMUR in Manchester, N.H. But 16 of the top 25 local media sites still belong to newspapers.

TV stations also are competing for consumers of local news on smartphones and tablets, especially younger users. “Our audience proportionally is growing faster on mobile than on Web,” said Chip Mahaney, senior director of local digital operations for E. W. Scripps. “It used to be mobile was a small fraction [of our digital audience]. In some cases mobile has overtaken Web.”

Mobile is becoming a larger driver of Web traffic, particularly outside of working hours. At WRAL in Raleigh, N.C., it accounts for 15% of digital visits and could double in six months, according to the station’s general manager, John Conway. “It’s a good way for us to grow our audience at times when historically you’d see somewhat of a trail off of your traffic,” he said.

Stations also are connecting with a digital audience through social media. Some local reporters and anchors have developed followings that dwarf their stations’ on-air audience. Nancy Loo, a reporter and fill-in anchor at Tribune’s WGN in Chicago, has 683,000 subscribers to her public posts on Facebook. The station’s main newscast draws fewer than 400,000 viewers.

As with digital metrics in general, it is difficult to know how much the online, mobile and social media audience has actually expanded the reach of local TV stations. Active engagement on social media is hard to measure, and even followers who are active are not counted among the audience used to set advertising rates. Stations continue to face the challenge of how to convert social media followers to viewers or Web users, and how to count their total audience on all ad-supported platforms.

“There really has not been a good research system that combines mobile, Web and on air in a way to be able to ascertain unique users,” said LIN Media’s Scott Blumenthal. “The concern is in terms of how you make sure that you deliver the eyeballs to your advertisers.”

Economics

Over all, the broadcast revenue picture was much improved from the year before. For local television stations, a presidential election year almost guarantees higher revenue and 2012 followed the expected pattern. Political ad spending on TV set a record, up 38% from the previous high in 2010 - though the dollars were far from evenly distributed. In addition, a recovering economy allowed the automotive sector to buy substantially more TV commercials, and stations affiliated with NBC benefited from an influx of ads during the London Summer Olympics. And retransmission fees, which stations have fought
hard to protect, are making an increasingly important contribution to the bottom line. (See Retransmission Fee section and Digital Revenue section for more)

Every ownership group reported higher revenue for the third quarter compared to the same period the year before, when almost all station groups reported losses. Some of the gains were dramatic. For example:

- Sinclair, up 49%\(^{20}\)
- Media General, up 42%\(^{21}\)
- E.W. Scripps, up 41%\(^{22}\)
- Gannett, up 38%\(^{23}\)
- LIN Television, up 36%\(^{24}\)
- Gray Television, up 34%\(^{25}\)

Some groups benefited from major structural changes over the past year. In October, Media General became a pure broadcast group with the sale of its last money-losing newspaper property, The Tampa Tribune. (See Newspaper Chapter for more) And E.W. Scripps’ purchase of nine TV stations from McGraw Hill at the end of 2011 boosted its third-quarter revenue by 79%, compared to 41% at stations it owned at the same time the year before. \(^{26}\)

The market research firm BIA/Kelsey estimated that local stations took in a total of $19.7 billion in ad revenue in 2012. That amounted to an increase of 10% over 2011, but the total still fell short of stations’ advertising revenue during each of the previous two presidential election years (2008 and 2004), largely because political spending was concentrated in only a few states. (See Political Advertising section for more)
Longer-term data adjusted for inflation show that the average local television station is not the lucrative business it once was. Station ad revenue declined sharply when the recession hit and has not fully recovered. As the numbers show, the typical roller-coaster pattern of lean non-election years and more lucrative election years resumed in 2009, but at a much lower level than a decade ago.

**Average Advertising Revenue for News-Producing Stations Declined in 2011**

*In Millions of Dollars*

Source: BIA/Kelsey and Pew Research Center
Note: Inflation adjustment is based on 2011 dollars. Only commercial and viable English-language stations broadcasting news programs are included.
*The 2010 number has been revised.*

PEW RESEARCH CENTER
2013 STATE OF THE NEWS MEDIA
Still, television remains the largest single outlet for advertising in the United States. “Viewing behavior is changing, but, for now, the TV industry continues to coin money,” said Henry Blodget, editor-in-chief of Business Insider.27

“It is at the end of the day a business delivery system,” said Bob Papper, a journalism professor at Hofstra University, “and television is still the best way by far to reach a large number of people quickly.”28

Political Advertising
The down-to-the-wire presidential campaign helped drive spending on political TV ads to a record high in 2012. “It was record-pulverizing both in terms of the number of spots aired and the amount spent,” said Erika Franklin Fowler, director of the Wesleyan Media Project, which studies political advertising on television.29

Almost all of the $3.1 billion spent went to local television stations. The $2.9 billion they took in was 38% higher than the old record set in 2010, and almost double the amount spent in 2008, the previous presidential election year.30

One reason for the huge influx of campaign cash was the Supreme Court Citizens United decision in 2010 that lifted caps on spending by corporations, unions and other interest groups. These so-called super-PACs flooded the airwaves with candidate and issue ads and paid top dollar to do it. While candidates are required by federal law to be offered time at the lowest rate stations charge for commercials, there is no such protection for third parties. One survey found that PACs paid up to four times as much as candidates to run ads in key swing states.31

“Local TV remains essential in political marketing because only a ‘lean-back’ medium can effectively reach the low-interest, undecided voters,” said Vincent Letang, executive vice president of the media agency Magna Global. “And, of course, local TV can surgically target swing states or counties.”32

As a result of that targeting, the political ad rush in 2012 was concentrated in closely contested states. “There’s this perception that there’s this tsunami of money washing over every TV station. That’s not correct,” said Dennis Wharton, executive vice president of the National Association of Broadcasters. “The additional revenue is coming only to a small percentage of stations.”33

For stations in swing states like Colorado, Florida, Ohio and Virginia, the demand for political ads was like nothing they had ever seen before. Some stations expanded commercial breaks, added newscasts or preempted network programs during the campaign’s final days to sell more political ads.34

“If you were lucky enough to be in a battleground state, you raked it in,” Fowler said. For example, the Roanoke-Lynchburg market in Virginia, the 68th largest in the country, ranked in the top 10 for political advertising for much of the year. Local stations there made $27 million from campaigns and interest groups, shattering the previous record of $5.6 million set four years ago.35
By contrast, the somewhat larger market of Little Rock, Ark., was mostly bypassed by political spending. “I think the biggest candidate money we’ve seen so far is from a North Little Rock judge race,” said Mark Rose, president and general manager of the city’s ABC affiliate, KATV, who estimated total political spending in the market at well under $400,000.  

**Other Spot Advertising**

Political ads were not the only engine driving revenue higher for local TV stations in 2012. Spending on automotive ads shifted into high gear as the auto industry bounced back from a disappointing 2011 during which the Japanese tsunami disrupted the market for imports and car parts. Due to pent-up demand, car sales hit 14.5 million in 2012, an increase of 13% from the year before. And as auto sales go, so goes TV advertising. In the first three quarters of the year, automotive ad spending on local TV stations was up 20% from the year before, according to Television Bureau of Advertising. Unlike political advertising, auto ads aired in every market, meaning more stations benefitted from the upturn.

Spending in most other ad categories was down in 2012, with the exception of government and organizations and insurance companies. TVB reports that pharmaceutical companies, department stores and banks all spent less on television advertising in the first half of 2012 than in the same period the year before.

The outlook for 2013, a non-election year, is not rosy. “The odd-year ‘hangover’ will be stronger than usual for television,” Magna Global predicted, with the expected decline in political advertising likely to drag down spot revenue over all. One survey estimated that total spot TV revenue would drop by more than 7% in 2013, despite predictions for an improving economy. Increased spending by core advertisers should keep the loss from being even worse, with spending in nonpolitical categories predicted to rise by 4%.

**Retransmission Fees**

Television station owners continued to have substantial success in 2012 in growing an increasingly important source of revenue: the fees paid by cable and satellite systems to carry local channels.

While the fees account for less than 10% of total station revenue, retransmission payments have been growing rapidly. CBS-owned stations, for example, almost tripled their fees, from 45 cents a month per subscriber in 2011 to $1.22 this year. SNL Kagan estimates that by 2018, retransmission revenue will be more than 20% of TV stations’ ad revenues, more than double what it is now.
The gains in retransmission fees were not won without a fight. More stations than ever went to the mat to demand that distribution systems pay more for their signals when agreements came up for renewal. According to the American Television Alliance, which represents distribution systems, viewers faced local channel blackouts from protesting stations in 80 markets in 2012, compared to 51 the year before and just 12 in 2010.44

Some of the most acrid disputes involved Dish Network, whose new AutoHop feature allows users to skip commercials when watching programs recorded from broadcast channels. CBS, NBC and Fox have sued Dish, claiming copyright violations. In August, Dish accused the Sinclair broadcast group of “corporate greed” for demanding higher payments. Sinclair threatened to pull all 74 of its local stations from the satellite network before the dispute was resolved.45

One reason stations have pushed so hard for higher fees is that they have to share some of that income with their networks in the form of reverse compensation, and new affiliate deals have included significant increases. “We used to be paying them and now they’re paying us,” said the CBS chief executive, Les Moonves. Within the next five years, Moonves estimated that CBS alone would bring in at least $1 billion a year in retransmission fees from network-owned stations and reverse compensation from affiliates.46

The importance of retransmission revenue to the bottom line explains why broadcasters are suing to block Aereo, a new service that lets users watch live TV over the internet. Aereo, currently available only in New York City, uses an array of antennas to distribute local stations’ signals to online subscribers and pays the broadcasters nothing. “They’re charging a fee for content that they do not own,” said Dennis Wharton of the National Association of Broadcasters. “They’re charging $12 a month for the service and not sharing any of the revenue with the content creators.”47

If Aereo wins the case, the service is expected to expand to additional markets and could eventually upend the current retransmission payment structure, according to media analyst Vijay Jayant of the International Strategy and Investment Group.48
Digital Revenue

Local television makes only a small percentage of its revenue from digital advertising, and while the total is growing, the rate of growth has slowed considerably. BIA/Kelsey estimates that total digital revenue for local TV stations grew by 10% in 2012, less than half the rate of the year before.\(^49\) And that 10% rate is less than the estimated growth for newspapers or internet-only companies, according to Borrell Associates, a firm that studies local online ad buys.\(^50\)

**Local TV Share of Local Online Advertising Flat in 2012**

![Pie charts showing local TV share of local online advertising in 2011 and 2012.](source)

For the typical TV station group, online and mobile ads bring in about 3% of total revenue, according to Mark Fratrik, a vice president of BIA/Kelsey. The firm expects that percentage to inch up to around 4% by 2016.\(^51\)

Some stations already are well ahead of that mark, however. WMUR, the Hearst-owned station in Manchester, N.H., reports that it generates close to 10% of its total revenue from digital. It has the most-visited website in the state and one major advantage most stations do not: no local TV competitors. “We have big TV ratings,” said its general manager, Jeff Bartlett. “We use those ratings to push our Internet offerings. It’s a big promotional platform.”\(^52\)

The fastest-growing segment of digital advertising is video, and local TV stations hope to capitalize on their expertise in that area. By 2016, BIA/Kelsey estimates that online video will account for almost 11% of all digital revenue, more than tripling in five years. “Smart operators can expand sales opportunities in the digital world,” Fratrik said.\(^53\)
Mobile advertising has become a focus for some local station groups. “In some markets, we are getting more views for mobile than [online],” said Lisa Bishop, vice president of digital media at Gray Television. “Because of the screen size, it’s more intimate, in your face.”

To target advertisers aiming to reach increasingly mobile consumers, LIN Media and Belo launched new mobile marketing companies late in 2012. “We’ve got to be able to participate in that very high-growth segment of the marketing world,” said LIN’s chief executive, Vincent Sadusky.

One potential revenue source that most local stations have not exploited is e-commerce. Less than a third said they offered special deals, sponsorships, classifieds or merchandise for sale on their websites, according to the annual RTDNA/Hofstra survey. “This is mystifying to me,” said the survey director, Bob Papper. “They are leaving money on the table.”

Local TV stations also have yet to go the route of more and more of their newspaper competitors: putting up pay walls. The RTDNA survey conducted in late 2011 found that just under 2% of television stations required users to pay for access to their websites. The sample size so far is too small to determine what impact this may have on station revenue. Some companies that own both TV stations and newspapers are beginning to deploy pay walls on joint websites. AZCentral.com, featuring content from Gannett-owned KPNX in Phoenix and The Arizona Republic, became a paid site in September.

One potential source of digital revenue, social media, remains mostly untapped, said Christine DiStadio, director of digital media at KHOU in Houston. Her station and others owned by Belo Corp. have had some success in partnering with advertisers on Facebook sweepstakes and giveaways. But stations have found it difficult to monetize their own pages and Twitter streams. “These are other people’s platforms that we’re meeting our audience on that we don’t get a financial reward from,” said Chip Mahaney, local digital operations director at E.W. Scripps. “It’s not part of our revenue plan.”

The potential upside for social media advertising is substantial. “The year 2012 can be viewed as social advertising’s ‘coming of age,’ ” said Jed Williams, a senior analyst at BIA/Kelsey, which predicts total revenue from the sector will double to more than $9 billion by 2016. Still, ad spending on social media amounts to only about 5% of local ad spending over all.

Ownership

The most noticeable trend in TV station sales in 2012 was that some big owners got bigger. The market for television stations improved only marginally, however, as the business continued its slow recovery from the recession. Major changes could be coming in the years ahead, however, as federal regulators consider new ownership rules and plan to compensate stations that sell their spectrum for use by wireless providers.

Sinclair, which already owned the most local stations of any group, acquired six more from Newport Television for $412.5 million. The No. 2 ownership group, LIN Media, paid $330 million for 13 New Vision
stations. And Nexstar jumped to third place, picking up a total of 17 stations from two different sellers.

Large single-station sales were the exception in 2012. In the only deal of note, Landmark Media sold its station in Nashville, CBS affiliate WTVF, to Journal Communications for $215 million.

Media broker Larry Patrick of Patrick Communications said one factor holding back sales is the unwillingness of buyers to pay top dollar for local television stations. “Owners are either going to have to take lower prices and come out under water or hold stations for another two years,” he said.

Nevertheless, several station groups were exploring sales early in 2013. Fisher Communications, Barrington Broadcasting and Communications Corp. of America, with a total of 70 stations, were reported to be on the block. “There are probably some groups [that] had a spectacular 2012 and think: It won’t get any better, let’s cash out now,” said Paul Karpowicz, president of Meredith Local Media.

Value of TV Station Mergers and Acquisitions

More consolidation is expected in the local TV business. “It’s very inefficient for groups outside of the top 10 operators,” said Nexstar Broadcasting’s chief executive, Perry Sook. He predicted that a few years from now no more than a dozen substantial ownership groups would be left standing.

One factor that could drive the market is a change in federal rules, which could lead to more concentration of ownership. The FCC has been trying to loosen the rules for a decade but has been repeatedly blocked in court. The commission is expected to approve a measure to allow cross-ownership of some broadcast stations and newspapers in the 20 largest U.S. markets. The proposal also would eliminate what an FCC spokesman called “outdated prohibitions” on joint ownership of TV and radio
stations in the same market.70 “There have been significant market changes, which everyone has to be recognizing at this point,” said FCC Commissioner Robert McDowell.71

The FCC rule would still prevent the merger of big station groups and forbid one company from owning two of the top four network affiliates in a single market. And, for the first time, some joint sales agreements would count toward the local TV ownership cap. Station groups have used these agreements for years to get around the limits, and more such deals were struck in 2012. For example, Young Broadcasting, which owns the CBS affiliate in Lansing, Mich., arranged to manage the ABC affiliate there after its purchase by Shield Media. The same two companies have a similar arrangement in Albany, N.Y., where Young owns the ABC affiliate and manages the Fox affiliate for Shield.72

Supporters of these so-called virtual duopolies say they have preserved local newscasts and in some cases added new ones. “Depriving stations, especially smaller ones, of the ability to engage in [sharing agreements] could have a significant impact on both the production of local news and on the stations’ ultimate financial viability,” the National Association of Broadcasters said in comments filed with the FCC.73

If approved, the new rule is bound to be challenged in court. Media activists have charged that allowing more consolidation would further decrease minority ownership of broadcast stations.74 The ownership of commercial television stations has become less diverse in the past few years, according to a new FCC census. Whites owned almost 70% of TV stations in 2011, up from just over 63% two years earlier. The percentage of stations owned by women has increased, but only slightly, to just under 7% compared to 5.6% in 2009.75

Consolidation is not the only controversial issue before federal regulators. The FCC also is working on rules for a new incentive auction that would compensate broadcast owners who give up spectrum to make room for more wireless service.76 “The value of the spectrum for alternative uses seems substantial enough to allow the FCC to offer prices that should be high enough to cause a good number of television stations to participate,” said Mark Fratrik of BIA/Kelsey.77

It could take several years for the auction process to begin but the end result may be fewer local stations in some large markets, said David Oxenford, an attorney with the law firm Wilkinson Barker Knauer, who represents broadcasters before the FCC. “You won’t see many big network affiliates getting in on the auction,” he said, “but if you’re the sixth or seventh station, there’s not much of an audience. Most of those stations will go away.”78 Those stations tend not to be news-producing stations but some, at least, do carry news provided by their bigger competitors, often in nontraditional time slots. If those stations go off the air, the amount of local news available in some markets could shrink, although probably not substantially.

News Staff
After years of having to do more with a lot less, local television newsrooms finally were able to do more with a little more. The median full-time TV news staff hit an all-time record of 32 employees in 2011, an
increase of more than 4% from the year before.\textsuperscript{79} That sizable jump came in a non-election year, when TV is typically in a holding pattern, indicating just how much pent-up demand newsrooms had to meet.

More than a third of news directors surveyed started 2012 planning to bring on even more staff. “I would be astonished if the trend toward more hiring doesn’t continue,” Papper said.

\textbf{TV News Staffing Plans for 2012}

\begin{figure}
\centering
\includegraphics[width=0.5\textwidth]{chart.png}
\caption{Percentage of News Directors}
\end{figure}

The top three categories for new hires were producers, reporters and Web staff. But the average number of full-time staff working exclusively on the Web has increased only slightly over the past decade as the lines that used to exist between job categories have disappeared. “They’re looking for people who can do everything,” said Micah Johnson, president of MediaStars, an agency that represents TV news employees in contract negotiations.\textsuperscript{80}

The hiring was not spread evenly across market sizes. Staff size in the top 25 markets jumped the most - by 20%, on average. Small markets also saw some staff growth. But the average number of newsroom employees in mid-size markets (26-50) actually dropped.

Across all market sizes, the trend toward hiring multimedia journalists or “one-man bands” who report, shoot, write and edit shows no sign of slowing. The use of solo journalists was up a further 3% across the board, according to the annual RTDNA/Hofstra survey, but that number tells only part of the story. In medium-large markets, the use of these one-man bands soared, with one in four stations in markets 26-50 now saying they mostly use solo journalists, more than twice as many as the year before.
Another change to be noted: More staff at all levels were put under contract in 2011, the most recent year for which data are available. Stations where many employees worked without contracts during the recession moved to lock in terms of employment and compensation, especially for off-air staff. The percentage of managing editors and news writers under contract doubled. “Apparently there’s nothing like an improving economy to bring out the ‘love’ between station and employee,” quipped Hofstra’s Bob Papper.

While station staffs expanded, the same could not be said of salaries. Average pay at local TV stations increased just 2% in 2011, less than a third as much as the year before, failing to even keep up with inflation. “That’s likely the result of stations adding people who are mostly entry level — or at least paid at a noticeably lower rate than existing staff,” Papper said. Salaries for managers were higher for the second year in a row, but anchor salaries took a hit. One year after registering the largest average pay increases in TV newsrooms, anchors saw their pay drop by more than 8% on average.81 “We are past [the era of downsizing] but I don’t think we will see salaries recover,” said Micah Johnson of MediaStars.

News Content
One trend that shows no sign of reversing is the increasing amount of news that local TV stations are putting on the air. On average, stations aired a record 5 hours and 30 minutes of local news on weekdays in 2011, the last year for which data exist. That amounts to 12 minutes more per week than the year before, according to the annual RTDNA/Hofstra University survey.82

The pace of news expansion has been rapid. In just four years, stations added almost a full hour of news per day on average. And the growth has occurred across all market sizes, says Bob Papper, who directs
the RTDNA/Hofstra survey. The median station is running five hours of news a day.

There is every reason to expect that 2012 set another record. Almost a third of news directors surveyed said they expected to add more news. Not a single one expected to cut news time.

Where is all that news finding a home on the schedule? Mostly in the mornings. The fastest-growing time period for local news was 5-9 a.m., with 28% of stations that added news putting it in that time slot in 2011. In addition, 20% added news at 4:30 a.m., according to the RTDNA survey. Those added newscasts may not offer much additional original reporting, however. Anecdotal reports suggest that many stations serve up weather, traffic and recaps of the late news on their early-morning news programs.

Another growth area in local TV news was weekend mornings. Stations in markets as large as Chicago and as small as Fayetteville, Ark., added Saturday and Sunday morning newscasts in 2012. “There’s definitely an appetite for local news on the weekends,” said Jennifer Graves, news director of ABC-owned WLS in Chicago. “After expanding our weekend late news to an hour, it seemed logical to grow the Sunday morning time period as well.”

Some stations air more than twice as much local news as the national average. Fox-owned WJBK in Detroit, for example, airs 10 and a half hours of news each weekday, starting with a morning news block that runs from 4:30 a.m. to noon. “You almost can’t get away from us,” said the station’s news director, Dana Hahn. “For our viewers, it doesn’t matter what time you’re heading out to work or whether you’re sleeping late. We are going to be there for you.”

The expansion of news time has not increased the overall audience for news, however, suggesting that the addition of more newscasts has simply fragmented the audience. (See Audience section for more)
Nevertheless, producing more local news can be cheaper for stations than buying syndicated programming, so the trend may not yet have run its course.

Stations continue to provide news through other outlets as well, with more than one in three producing content for another television station. According to the RTDNA/Hofstra survey, 725 stations originate local news and 242 stations run news produced by an originating station. More than half of the originating stations also feed content to local cable channels and radio stations. Those numbers have not changed much, however. “TV news expansion into other areas appears to have stabilized,” said Bob Papper. “At least for now.”

There are also some indications that partnerships between stations for newsgathering are losing steam. NBC-owned stations, for example, pulled out of joint helicopter arrangements in three markets and stopped sharing video crews in two. The number of stations saying they were not involved in news sharing at all in 2011 increased by more than 6%. Papper suspects that some cooperative ventures born of a need to save costs during the recession were dissolved as the economy improved.

The practice of news sharing remains commonplace, however. More than half the stations surveyed said they have a newsgathering or coverage agreement with another media outlet. Fox has sharing ventures in 12 of the 16 markets where it owns stations that produce news. In Phoenix, all five local stations are involved in one way or another in cooperative newsgathering with one or more competitors.

“The concept has kind of been baked now into our culture,” said Ed Munson, general manager at KPHO, the Meredith-owned station in Phoenix. “Because of that, and because it works well and does free up resources for covering things more in our brand wheelhouse, it has continued.”
Digital Content
After years of inching toward ubiquity, the internet has finally become a universal platform for local television. For the first time, every station that runs local news in every size market reported having a website in 2011. Stations also are providing news on mobile devices like smartphones and tablets and they are increasingly active in social media.

Most of the content stations provide online is not original. “We’re still seeing a lot of material that’s going to digital platforms that’s derivative of what you see on television,” said Chip Mahaney, senior director of local digital operations for E. W. Scripps.

A few stations have broken that mold with unique content designed to appeal to niche markets in their communities. The Belo station in San Antonio, for example, marked Veterans Day with a Web-exclusive series aimed at the 18% of the population with ties to the military. In Louisville, just days after the Gannett-owned Courier-Journal put up a pay wall, the local Fox affiliate, WDRB, hired two popular sports columnists from the paper and began featuring them prominently on its website. “I would imagine probably 70% of what they do is going to be on our Web,” said the station’s news director, Barry Fulmer.

Almost 80% of local TV stations report having one or more apps, which by definition are designed for mobile devices. But mobile content is even less likely to be original than Web content, according to Chip Mahaney of Scripps, because a lot of television station apps are feed-based. “The content is delivered from the website and if that content is derivative from the newscasts then it’s a hand-me-down of a hand-me-down,” he said.

To differentiate their mobile content, some stations have produced specialized apps. The eight ABC-owned stations offer one that combines an alarm clock with custom wake-up messages from local anchors and a weather update. The Cox station in Atlanta created an app to provide users with real-time traffic information. And stations across the country have introduced severe-weather apps, including KJRH in Tulsa, Okla., and KSTP in Minneapolis.

Newsrooms have had less success with apps designed to encourage second-screen activity, like chatting online with fellow viewers during a newscast. ConnecTV and Zeebox both offer that capability but the potential payoff for local news appears slim. “You look at major events and there’s a lot of interest, but it just is not an easy sell to get people to adopt a new platform just to talk about a newscast,” Mahaney said.

Social media is another matter. All local TV stations reported having at least one Facebook page in 2011. The percentage of stations using Twitter “constantly” jumped to 50%, with just 6% reporting their newsrooms were not active on Twitter. “We really can’t survive now without being in the social media game,” said WJBK’s Dana Hahn. “It’s a way to reach a lot of people who aren’t watching the 5 o’clock news.”

At the Scripps station in Detroit, news anchors have encouraged conversations about the news by using the hashtags #backchannel and #earlyrisers on Twitter. Stations typically provide different content on
Facebook and Twitter than they do on the air or online. Many routinely solicit posts and photos from followers that expand their coverage, as a Colorado Springs station did during last summer’s wildfires.95

News directors also report using Facebook to explore special topics of concern like bullying, diabetes, immigration and transportation. “In an era of lots of TV news fluff, some serious stories appeared to getting new life online,” said Hofstra’s Papper.

Gray Television is attempting to measure the quality of digital content at its stations by tracking what it calls “enhancements” on a monthly basis. Stations are graded on everything from the number of stories they post to the use of slideshows, video clips, maps and polls. “The more content [we provide], the more we can draw and keep eyeballs,” said Lisa Bishop, Gray’s vice president of digital media. “If no one’s consuming our content, we’re going to be dead in the water.”96

One technological advance predicted for years finally became a reality in 2012 but still remains a long way from commercial success. Adapters that make it possible for consumers to receive broadcast signals on mobile devices went on sale in the fall. The service from Dyle, supported by the major broadcast networks, is available in 35 markets covering more than half the U.S. population. But the receivers are not yet built in to most mobile devices and the adapters cost $100, leading some analysts to doubt whether consumers will buy them. “Anything that adds to the size and weight of a device is a factor affecting an accessory purchase,” said Jonathan Hurd, director of the consulting firm Altman Vilandrie & Company.97

Continue reading Local TV: By the Numbers

Endnotes


4. PEJ analyzed data from Nielsen Media Research and computed national averages for each time slot. The charts showing change over time include only three of the four major sweeps periods (http://stateofthemedia.org/2013/local-tv-glossary/#sweeps) - May, July and November. February is not included because there was no comparable data from 2009, when ratings were collected in March due to the planned switch from analog to digital broadcasting. Year-to-year calculations from 2010 onward include all four sweeps periods. (Read more about 2009 Sweeps) (http://stateofthemedia.org/2013/local-tv-glossary/#sweeps-in-2009)

6. Gorman, Bill. “Univision Broadcast Networks Are Only Ones Showing Ratings Growth in May Sweeps” (http://tvbythenumbers.zap2it.com/2012/05/24/univision‐broadcast‐networks‐are‐only‐ones‐showing‐ratings‐growth‐in‐may‐sweeps/135780/).” TV by the Numbers. May 24, 2012.

7. The number of stations airing news at 4:30 a.m. in 2012 was 245, up from 215 in 2011 and 109 in 2010.

8. Pew Research Center’s database of independent stations does not include Spanish-language stations.


20. “Sinclair 3Q Revenue Soars 49% to $226.4M” (http://www.tvnewscheck.com/article/63233/sinclair‐3q‐revenue‐soars‐49‐to‐2264m).” TVNewsCheck, Nov. 1, 2012.


24. “LIN TV 3Q Revenues Climb 36% to $98M” TVNewsCheck, Nov. 8, 2012.


67. Malone, Michael. “Exclusive: Communications Corp of America Puts Stations on Block (http://www.broadcastingcable.com/article/491338-


Local TV: By the Numbers

By Deborah Potter of NewsLab, Katerina-Eva Matsa and Amy Mitchell of the Pew Research Center

“By the Numbers” houses a comprehensive set of charts and tables telling the story of each media sector. For a narrative summary, visit the corresponding essay.

Local television stations experienced a year of higher revenues and lower viewership, on average, in 2012. The increased income was the predictable result of a flood of political advertising during a presidential election year. But the audience declines were disappointing, as a long-term downward trend in viewership resumed after an uptick the year before.¹

Audience

At network affiliate stations, viewership in 2012 fell in all of the key local TV news time slots - morning, early evening and late night.

Local News Viewership Declines in All Key Time Slots

![Graph showing decline in local news viewership](Image)

Source: Nielsen Media Research

Note: Numbers represent ABC, CBS, Fox, and NBC affiliates. March 2009 ratings are not comparable to the traditional winter sweeps period, February, and are not included here.

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SEE FULL DATA SET
Early evening newscasts (5 to 7 p.m. Eastern Time or equivalent) on network affiliates suffered the steepest decline of the traditional time slots. After two years of relative stability, viewership nose-dived in 2012 by 6.7%. (The hour-long 10 p.m. newscasts on many Fox affiliates are analyzed separately below.)

### Early Evening Newscasts Lose Audience

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>26,305</td>
<td>24,347</td>
<td>-7.4%</td>
</tr>
<tr>
<td>May</td>
<td>23,383</td>
<td>21,005</td>
<td>-10.2</td>
</tr>
<tr>
<td>July</td>
<td>21,622</td>
<td>20,396</td>
<td>-5.7</td>
</tr>
<tr>
<td>November</td>
<td>23,126</td>
<td>22,330</td>
<td>-3.4</td>
</tr>
<tr>
<td>Average</td>
<td>23,609</td>
<td>22,020</td>
<td>-6.7</td>
</tr>
</tbody>
</table>

*Source: Nielsen Media Research
Note: Numbers represent ABC, CBS, Fox and NBC affiliates.*

What were once considered the “newscasts of record,” early evening local TV news programs have been losing viewers steadily for more than a decade. Over the past five years alone, the audience has declined almost 14%.

### Early Evening Local News Viewership Declines Sharply

*In Millions of Viewers*

Local morning news (5 to 7 a.m. Eastern Time or equivalent) also suffered losses in 2012 in all sweeps periods. After gaining 1.4% on average the year before, morning newscasts on network affiliates lost 4.6% of their audience.
This decline comes after five years of relative stability in morning viewership.

### Morning Local News Viewership Declines

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>13,048</td>
<td>12,449</td>
<td>-4.6%</td>
</tr>
<tr>
<td>May</td>
<td>12,327</td>
<td>11,778</td>
<td>-4.5%</td>
</tr>
<tr>
<td>July</td>
<td>9,730</td>
<td>9,317</td>
<td>-4.2%</td>
</tr>
<tr>
<td>November</td>
<td>12,093</td>
<td>11,476</td>
<td>-5.1%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>11,800</td>
<td>11,255</td>
<td>-4.6%</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research  
Note: Numbers represent ABC, CBS, Fox and NBC affiliates.

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2013 STATE OF THE NEWS MEDIA

The numbers were even worse for late local newscasts (11 to 11:30 p.m. Eastern Time or equivalent) on network-affiliated stations. A year after showing the strongest audience growth of any traditional time slot, up 3% year-to-year, average viewership slid 7% in 2012.
Late newscasts had been losing viewers at even faster rates than the evening time slot until 2011. The increase in 2011 seems to have offered false hope as the gains were quickly lost again. Over the past five years, the average audience for these newscasts has declined more than 17%.

### Late-Night Local News Viewership Skids

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>27,607</td>
<td>26,213</td>
<td>-5.0%</td>
</tr>
<tr>
<td>May</td>
<td>27,042</td>
<td>25,551</td>
<td>-5.5%</td>
</tr>
<tr>
<td>July</td>
<td>23,963</td>
<td>21,082</td>
<td>-8.3%</td>
</tr>
<tr>
<td>November</td>
<td>25,635</td>
<td>23,159</td>
<td>-9.7%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>26,062</td>
<td>24,226</td>
<td>-7.0%</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research  
Note: Numbers represent ABC, CBS, Fox and NBC affiliates.

### Late-Night Local News Viewership Trends Down Again

Our analysis of Nielsen Media Research data suggests that local TV newscasts are losing viewers, in large part, because fewer people are watching television when the news is on the air. A pattern we have been tracking for the past three years continued in 2012, with share outperforming ratings for all key time slots in most sweeps periods. Ratings measure the percentage of households with TVs that are tuned to a particular program. Share measures the percentage of people whose TVs are turned on at a particular time and who are tuned to a specific program. When share declines less than ratings, it means a program has fewer total viewers but its percentage of the available audience has not declined by quite as much. That is exactly what happened in almost every time slot and sweeps period in 2012. For example, evening
news programs suffered twice as big a loss in May ratings (11.2%) as in May share (5.4%). The bottom line: fewer people had their TV sets on at news time.

<table>
<thead>
<tr>
<th></th>
<th>Evening News</th>
<th>Late News</th>
<th>Morning News</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>-7.1%</td>
<td>-3.7%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>May</td>
<td>-11.2%</td>
<td>-3.8%</td>
<td>-2.2%</td>
</tr>
<tr>
<td>July</td>
<td>0.0</td>
<td>-4.2%</td>
<td>-5.4%</td>
</tr>
<tr>
<td>November</td>
<td>3.4</td>
<td>-3.0%</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research
Note: Numbers represent ABC, CBS, Fox and NBC affiliates.

Morning news at 4:30 a.m. remained the biggest growth area for local TV stations, but the rate of growth slowed considerably in 2012. Early morning news was on the air in 113 markets compared to 104 in 2011, according to Nielsen data. Viewership was up again but by just 13%, orders of magnitude less than the 337% increase the year before. And the total number of viewers remains small. Early morning news averages just 2.6 million viewers, compared to 24.2 million on average for late news, the most-watched time slot.
Midday newscasts lost viewers in all sweeps periods in 2012 but the average loss for the year was 2%, about the same as the year before.

**Midday Local Newscast Audience Stabilizes**

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>8,799</td>
<td>8,857</td>
<td>-1.6%</td>
</tr>
<tr>
<td>May</td>
<td>7,882</td>
<td>7,775</td>
<td>-1.4%</td>
</tr>
<tr>
<td>July</td>
<td>7,974</td>
<td>7,868</td>
<td>-1.3%</td>
</tr>
<tr>
<td>November</td>
<td>7,365</td>
<td>7,580</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Average</td>
<td>8,130</td>
<td>7,970</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>

*Source: Nielsen Media Research*

*Note: Numbers represent ABC, CBS, Fox, and NBC affiliates.*

News at midday has seen less ratings erosion than the traditional early evening and late time slots over the past five years. But these newscasts still have lost a little more than 7% of their average audience over that time period.
Local news at 7 p.m. Eastern Time or equivalent (after the network news or early evening local news) lost 5% of its audience, on average, in 2012. The decline followed a year in which viewership was essentially unchanged.

### Audience Falls for Local 7 p.m. Newscasts

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>12,627</td>
<td>11,784</td>
<td>-6.7%</td>
</tr>
<tr>
<td>May</td>
<td>11,104</td>
<td>10,050</td>
<td>-9.5%</td>
</tr>
<tr>
<td>July</td>
<td>10,465</td>
<td>10,208</td>
<td>-2.5%</td>
</tr>
<tr>
<td>November</td>
<td>11,493</td>
<td>11,349</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Average</td>
<td>11,422</td>
<td>10,848</td>
<td>-5.0%</td>
</tr>
</tbody>
</table>

Over the past five years, newscasts on network affiliates in the nontraditional 7 p.m. time slot have lost 6.9% of their audience. The decline that had been halted for two years resumed and picked up speed in 2012.
Local News on Fox Stations

Many Fox affiliates air an hour-long newscast at 7 a.m. Eastern Time or equivalent because the network does not provide a morning newscast for its stations such as those that air on ABC, CBS and NBC. After holding steady the year before, viewership for these newscasts was down 1.4% on average in 2012.

The audience for local morning news on Fox affiliates is still 4% higher than it was five years ago, but that improvement is due entirely to a substantial increase in viewership in 2008. Most of that gain was lost the following year, and the trend since then has been a slow decline.
The hour-long newscasts aired by Fox affiliates at 10 p.m. Eastern Time or equivalent lost 9% of their audience in 2012, faring even worse than the half-hour newscasts on ABC, CBS and NBC stations that air an hour later.

<table>
<thead>
<tr>
<th>Sweep Month</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>6,933</td>
<td>6,245</td>
<td>-9.9%</td>
</tr>
<tr>
<td>May</td>
<td>6,944</td>
<td>6,316</td>
<td>-9.0%</td>
</tr>
<tr>
<td>July</td>
<td>5,343</td>
<td>5,308</td>
<td>-0.7%</td>
</tr>
<tr>
<td>November</td>
<td>5,517</td>
<td>4,877</td>
<td>-16.7%</td>
</tr>
<tr>
<td>Average</td>
<td>6,209</td>
<td>5,637</td>
<td>-9.2%</td>
</tr>
</tbody>
</table>

The losses in 2012 continued a long-term trend of declining viewership for prime-time newscasts on Fox affiliates. Over the past five years, these newscasts have shed almost 23% of their audience, the largest percentage loss of any time slot we track.
Local News on Independent Stations

Stations not affiliated with one of the “big four” television networks also saw their overall news viewership decline in 2012. After two years of outperforming network affiliates, the independents lost a larger percentage of their audience than affiliates did in most time slots. One bright spot was at 10 p.m., where the audience for news on independent stations was up more than 6% even as competing newscasts on Fox affiliates lost viewers. The independent stations account for less than 3% of the total local TV news audience, however.

<table>
<thead>
<tr>
<th>Time Slot</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>4:4:30 a.m.</td>
<td>14</td>
<td>9</td>
<td>-35.1%</td>
</tr>
<tr>
<td>4:30-5 a.m.</td>
<td>44</td>
<td>41</td>
<td>-8.5%</td>
</tr>
<tr>
<td>5-6 a.m.</td>
<td>155</td>
<td>146</td>
<td>-6.1%</td>
</tr>
<tr>
<td>6-8 a.m.</td>
<td>342</td>
<td>349</td>
<td>2.2%</td>
</tr>
<tr>
<td>Noon-1 p.m.</td>
<td>135</td>
<td>123</td>
<td>-9.1%</td>
</tr>
<tr>
<td>5-6 p.m.</td>
<td>381</td>
<td>336</td>
<td>-11.9%</td>
</tr>
<tr>
<td>7-7:30 p.m.</td>
<td>117</td>
<td>122</td>
<td>4.5%</td>
</tr>
<tr>
<td>10-11 p.m.</td>
<td>916</td>
<td>972</td>
<td>6.1%</td>
</tr>
<tr>
<td>11-11:30 p.m.</td>
<td>193</td>
<td>175</td>
<td>-9.2%</td>
</tr>
</tbody>
</table>

Source: Nielsen Media Research
Note: Numbers are rounded and percentage change is calculated based on the raw data.

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2013 STATE OF THE NEWS MEDIA
A flood of political advertising in a presidential election year and a slowly improving economy boosted revenue for local television stations in 2012. Even numbered years almost always mean higher revenue for local TV, thanks to political ads and the Olympics. BIA/Kelsey estimated total 2012 on air ad revenue for local stations at $19.7 billion, up 10% from the year before.

Local Broadcast TV Advertising Revenue Grew in 2012

Political advertising alone hit a record $2.9 billion, up 38% from 2010 and almost double the $1.5 billion spent on local TV in 2008, according to a TVB analysis of data from Kantar/Campaign Media Analysis Group. Local stations captured over 80% of total political spending on television.
Political ads were not the only source of higher revenue for television stations in 2012. Automobile manufacturers, typically the largest advertisers on local TV, spent 20.3% more. Car dealers also ramped up their commercial buys by 21.6% as car sales picked up.
While local television revenue has bounced back from its 2009 low set in the depths of the recession, its performance over the past decade has been lackluster. Since 2006, average revenue for news-producing stations has declined by more than a third (35.8%) when adjusted for inflation.
Stations in all market sizes lost revenue on average in 2011, the last year for which data are available, and the pain was shared relatively evenly. Even so, average revenue in all market sizes more than recouped losses suffered in the recession year of 2009.

**All Markets Sizes Lost Revenue on Average in 2011**

*Average of Local TV Stations’ Revenue per Market Grouping in Millions of Dollars*

Source: BIA/Kelsey and Pew Research Center

**SEE FULL DATA SET**
Stations in the top 25 markets lost the greatest dollar amount, but that is to be expected since they earn far more than smaller-market stations. In terms of percentages, revenue in the top 50 markets was down about 12%, the next two market groupings lost approximately 9% and the very smallest markets saw revenues fall just 7%. The differential between market sizes was smaller than the year before.

**Average Revenue Losses by Percentage Similar Across Market Sizes in 2011**

<table>
<thead>
<tr>
<th>Markets 1-25</th>
<th>Markets 26-50</th>
<th>Markets 51-100</th>
<th>Markets 101-150</th>
<th>Markets 151+</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Change 2009-2010</td>
<td>% Change 2010-2011</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25%</td>
<td>20%</td>
<td>15%</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>-10%</td>
<td>-5%</td>
<td>0%</td>
<td>5%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: BIA/Kelsey and Pew Research Center

Third-quarter revenue numbers from television ownership groups in 2012 were up substantially thanks in large part to a flood of political advertising as stations recovered from losses the year before.²
Broadcast stations continue to battle cable channels for local spot advertising. Estimates indicate that spending on both broadcast and cable grew in 2012, but cable again grew faster than broadcast, posting a double-digit increase. Projections call for growth on the cable side to outpace broadcast growth by substantial margins in coming years, but for local stations to retain a wide edge in total spot spending.

Advertising within news programming accounts for an increasing portion of local TV station revenue. Revenue from local news hit a record 48.2% of total revenues in 2011, according to the RTDNA/Hofstra
survey of news directors. The share of revenue from local TV news has been rising along with the amount news time stations air, which also set a record in 2011.

News Programs Provide Larger Share of Local TV Revenue

Local TV newscasts remain profitable. Almost 60% of news directors said their stations made a profit on news in 2011, the highest percentage since 1998.
Digital Revenue

The typical local TV station makes about 3% of its total revenue from online and mobile ads, according to BIA/Kelsey. Local television has maintained about the same share of local online advertising—about 12%—for the past two years.

Local TV Share of Local Online Advertising Flat in 2012

Most television stations do not use their websites to sell anything other than advertising. Less than a third (31%) said they offer special deals, sponsorships, classifieds or merchandise for sale online, according to the RTDNA/Hofstra survey. Less than half (44.5%) are involved in shared-revenue deals with local Groupon-type offerings.

News Budgets

In the vast majority of TV newsrooms, budgets either grew or held steady in 2011, the last year for which survey results are available. Only one in six news directors said they had to make cuts, compared to one in four the year before.
The positive budget picture was most evident at stations in small markets (101-150), where more than half of all news directors said they were able to spend more. By contrast, more than half of stations in the largest 25 markets reported their budgets stayed the same.

**More Small Market Stations Had Larger News Budgets in 2011**

*Percentage of News Directors Who Said Their Budgets Increased, Decreased, Stayed the Same and Not Sure (by Market Grouping)*
News Staff

Total employment in TV news was up 4.3% in 2011, as news directors continued rebuilding staffs that had been slashed during the recession years of 2008 and 2009. A majority of news directors expected no change in staff size in 2012, but more than a third said they anticipated adding more staff, about the same as the year before. Only 2.4% said they expected to have to cut staff, fewer than the year before.

Few News Directors Expected to Cut Staff in 2012

Percentage of News Directors

- Increase: 54.6%
- Decrease: 6.3%
- Same: 36.7%
- Not sure: 2.4%

Source: RTNDA/Hofstra University Surveys
Note: Based on survey responses of news directors at all commercial TV stations.
PEW RESEARCH CENTER
2013 STATE OF THE NEWS MEDIA

Local TV newsrooms started 2012 with a record average of 38 full time staff, and a median staff size of 32, matching a high set in 2006. But staff increases were not spread evenly across all markets. As was the case the year before, most of the hiring was in the largest markets, where the median full-time staff hit 70. Stations in medium-large markets (26-50) actually lost staff in 2011. And while independent stations expanded staffs after cutting back in 2010, their median staff size of 13 is still less than half what it was five years earlier. That contraction most likely reflects the new reality that many independent stations no longer produce their own newscasts but instead carry programs produced by other local stations.
While employment jumped in local TV newsrooms, salaries did not keep pace. Over all, salaries rose just 2% in 2011, less than the rate of inflation. Senior news managers had the largest gains in pay, while lower-level managers lost ground. And anchors’ salaries dropped by more than 8%. The data suggest that stations expanded their staffs mainly by hiring younger, lower-paid workers.
News Content

The average number of hours of news on local television continues to increase and probably set another record in 2012. The average station produced a record 5 hours and 30 minutes of local news on weekdays in 2011, an increase of almost 4% from the year before. Most news directors surveyed (60.2%) said they expected the amount of news they produced would stay the same in 2012 but about a third said they would produce more news. And for the first time ever, not one news director anticipated a reduction.
For the second year in a row, local TV stations reported producing less news for some other media outlets, including mobile devices, cable TV channels and other local TV stations. Overall, the percentage of TV newsrooms providing content to one or more additional outlets dropped slightly to 75.5% (from 78.4% in 2010). The rapid expansion of news content sharing noted in previous years appears to be over, at least for now.
Just over half the stations surveyed (52.5%) cooperate with other local TV stations, newspapers, radio stations or other outlets in news gathering or coverage. But that is a significant drop from the year before (59%).

**Fewer Local TV Stations Share Resources With Other Media Outlets**

*Percentage of News Directors in Cooperative Ventures*

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Another TV Station</td>
<td>20</td>
<td>16</td>
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<tr>
<td>Local Newspaper</td>
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<td>20</td>
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<tr>
<td>Local Radio Station</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>None</td>
<td>10</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: RTNDA/Hofstra University Surveys
Note: Based on survey responses of news directors at all commercial TV stations.

Those stations that do share resources with other media reported increased cooperation in the use of helicopters for news coverage, but fewer shared video or had other sharing agreements.

**Local TV Stations Cut Back on Some Shared Resources**

*Percentage of News Directors Reporting Shared Resources*

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>80</td>
<td>70</td>
<td>60</td>
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<tr>
<td>Helicopter</td>
<td>10</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Pool Video</td>
<td>30</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: RTNDA/Hofstra University Surveys
Note: Based on survey responses of news directors at all commercial TV stations.
Eight out of ten local TV stations said they routinely fed news to three platforms in 2011: television, the Web and mobile devices. That’s a substantial jump from the 70% that said they took a three-screen approach to news the previous two years. Almost all TV station websites offer video, text and still pictures. The biggest changes in content were a significant drop in the use of blogs, audio and recorded newscasts on station sites.

Click here to read the Local TV Essay

Endnotes

1. PEJ analyzed data from Nielsen Media Research (http://www.stateofthemedia.org/2011/local-tv-essay/glossary/#nielsen-media-research) and computed national averages for each time slot. The charts showing change over time include only three of the four major sweeps periods—May, July and November. February is not included because there was no comparable data from 2009, when ratings were collected in March due to the planned switch from analog to digital broadcasting. Year-to-year calculations from 2010 onward include all four sweeps periods. (Read more about 2009 Sweeps) (http://stateofthemedia.org/%20http://stateofthemedia.org/2013/local-tv-glossary/#sweeps-in-2009)

2. NBC and ABC stations are not included because their parent companies, NBCUniversal and Walt Disney, do not report station revenues separately from broadcast network earnings.
Local TV Glossary

**Affiliate**
A TV station, not owned by a network, that grants a network use of specific time periods for network programs and advertising, for compensation. Remainder of broadcast day is programmed locally.

**Broadcast coverage area**
The geographic area that receives a signal from an originating television station.

**Corporate/financial buyer**
Buyer that is looking for a financial investment in a company, is more concerned with a return on equity and investment.

**Cost-Per-Thousand (CPM)**
The cost of reaching 1,000 homes or individuals with a specific advertising message. According to the Television Advertising Bureau, CPM is a standard advertising measure to compare the relative cost efficiency of different programs, stations or media.

**Coverage**
The percentage of homes or persons receiving a particular broadcast signal within a specific geographic area.

**Cross-ownership rule**
A rule that restricts companies from owning properties across media in the same market. It disallows the ownership of a television station and daily newspaper in all but the 20 largest media markets.

**Daypart**
A section of a day, used for measuring audience ratings on TV. These segments generally reflect a television station’s programming patterns. Comparison of audience estimates between dayparts may indicate differences in size and composition of available audience. The cost of buying advertising varies according to the daypart selected.

**Designated Market Area (DMA)**
Represents an exclusive geographic area of counties in which the home market stations are estimated to have the largest quarter-hour audience share (as defined by Nielsen).

**Digital Television (DTV)**
Generic term that refers to all digital television formats, including high-definition television (HDTV) and standard-definition television (SDTV).

**Digital Video Recorder (DVR)**
Refers to digital video recorder, also known as personal video recorder. According to the Television Advertising Bureau, a DVR or PVR records broadcasts on a hard disk drive that can then be played back at a later time (this is known as time shifting). A DVR often enables smart programming, in which the device records an entire series or programming defined by keywords, genre, or personnel; and offers pause control over “live” broadcasts.
**Duopoly**
An instance where two stations in the same designated market area are owned by the same party. Though once forbidden by the FCC, the rules surrounding duopolies have been relaxed in recent years, according to the Television Advertising Bureau.

**Early evening newscasts**
Local affiliate newscasts between 5 and 7 p.m. in the Eastern and Pacific zones and 6 to 8 p.m. in the Mountain and Central zones.

**High Definition Television (HDTV)**
Various technical systems providing a finer and wider TV picture and usually twice as many scanning lines as standard TV. According to the Television Advertising Bureau, it provides the highest quality picture and sound simultaneously with a substantial data delivery service.

**Independent Station**
Stations not affiliated with any network; usually refers to commercial stations only.

**Late news**
Local affiliate newscasts from 11 to 11:30 p.m. in the Eastern and Pacific zones and 10 to 10:30 p.m. in the Central and Mountain zones. These newscasts generally follow prime-time entertainment programming and precede late-night talk shows including The Tonight Show (NBC) and The Late Show with David Letterman (CBS); ABC late newscasts are followed by Nightline. Fox stations generally air news at 10 p.m. in the Eastern and Pacific zones and 9 p.m. in the Central and Mountain zones.

**Lead-in**
A program that immediately precedes another program on the same station or network. (Lead-out is the program that immediately follows another program.)

**Local spot**
The advertising purchased in a market and aimed only at the audience in that market.

**Midday**
Local newscasts that normally air between noon and 1 p.m. Part of the daytime programming daypart. (See Daypart.)

**Mobile DTV**
Technology that allows the transmission of over-the-air broadcast programming to cellphones and other hand-held devices.

**Morning news**
Local newscasts before or following national morning news programming on ABC, CBS and NBC and newscasts on Fox and unaffiliated stations that air any time between 5 and 8 a.m. (See Daypart.)

**Early morning news**
Local newscasts before national morning news programming on ABC, CBS and NBC and newscasts on Fox and unaffiliated stations that air on 4:30 to 5 a.m.
**Multicasting**
Broadcasting several programs at once via DTV on a single channel. According to the Television Advertising Bureau, a viewer might be able to receive two programs at the same time, and choose the program preferred.

**Multimedia journalist**
(A.K.A. backpack journalist, one-man band, mobile journalist (“mo-jo”): A local news reporter who performs a range of tasks related to the reporting, shooting and editing of news stories for broadcast, Web or mobile content delivery. The availability and ease of use of inexpensive video cameras, laptop editing applications, and cost cutting has spurred an increase in the use multimedia journalists.

**National spot**
The advertising time bought by national advertisers in several markets.

**Network-affiliated station**
Local television stations affiliated with one of the four major national broadcast networks, ABC, CBS, Fox and NBC.

**Owned and Operated (O&O) station**
A television station that is owned by the network with which it is associated.

**Personal People Meter (PPM)**
Hardware currently being tested by Arbitron. The PPM is a pager-sized device that is worn by consumers throughout the day to automatically detect inaudible codes that radio and television broadcasters and cable networks embed in the audio portion of their programming, according to the Television Advertising Bureau,

**Persons Using Television (PUT)**
According to the Television Advertising Bureau, a PUT is a measurement of the total number of people in the target audience who are watching television for five minutes or longer during an average quarter-hour. PUT is generally expressed as a percent.

**Rating**
A percentage measure of total households or population owning TVs who are tuned to a particular program or station at a specific time (e.g., a six rating for women 18-49 means 6 percent of all women 18-49 in the defined geographic area were viewing that station or program), according to the Television Advertising Bureau.

**Rating Point**
A value equal to one percent of a population or universe, such as the population of a Designated Market Area.

**Retransmission consent**
An option granted to television stations as part of the law that granted such stations the option to elect must-carry rights. Under retransmission consent, a full-power U.S. television station may elect to negotiate with a cable system operator for carriage of its broadcast programming. A station may propose that the cable operator pay cash to carry the station or ask for any other form of consideration. The cable operator may refuse the broadcaster’s proposal and not carry the station or offer a counter-proposal. Broadcast stations have similar rights with respect to satellite television providers like DirecTV and Dish Network.

**Retransmission fees**
Includes cash or other compensation that cable, satellite and telco TV providers pay to broadcast TV stations and, indirectly, to the networks — such as CBS, NBC, ABC, Fox and CW — for the right to carry broadcast TV station programming in their local markets.

**Reverse compensation**
The practice of a commercial television station paying a television network in exchange for being permitted to affiliate with that network. The word “reverse” refers to the historical practice of networks paying stations to compensate them for the airtime networks use to run network advertisements during their programming.

**Share**
The Television Advertising Bureau defines share as the percent of households (household share) or persons (P2+ share) using television who are tuned to a specific program, network or station at a specific time.

**Strategic buyer**
Usually from a similar industry and typically has a specific reason for wanting to buy a particular company. The strategic buyer will frequently be willing to pay a premium price in order to obtain a company possessing that quality.

**Spot TV**
The advertising time purchased from individual stations. There are two major types local and national. Local spots are purchased in one market and aimed only at the audience in that particular market. National spots are bought by national advertisers in several markets.

**Sweeps**
Ratings surveys in which local markets are simultaneously measured by a rating service. Nielsen Media Research measures television audiences to help the industry determine advertising rates for television stations. Sweeps months are generally February, May, July and November. In anticipation of the federally mandated switch to digital television in 2009, Nielsen elected to change the winter sweep month from February to March.

**Television Household**
An estimate of the number of households that have one or more television sets.

**Time Slot**
A designated time on a television schedule for a particular program or type of programming.

**Total Audience**
According to the Television Advertising Bureau, total audience is the percent of households tuning to all or to any portion of a program for at least 6 minutes.

**Viewership**
Collectively, the viewers of a television program.

**National Spot**
A form of broadcast advertising in which national advertisers, through their agency or buying service, select their target markets and stations to fit their marketing needs. The station usually has a contract with a rep firm to represent it to ad agencies.

**Network**
A connecting system which allows simultaneous telecasting of a single origination by a number of stations.

**Nielsen Media Research (NMR)**
A firm involved in local and national measurement of the TV audience; also involved in other research activities.

**Backgrounder**

## Local TV Audience Measurements

*Audience Measurements: Ratings and Share*

The key metrics for audience in television are ratings and share:

- **Ratings** are the percent of households watching a program at a given time among *all households* in the market.

- **Share** is the percent of households watching a particular program among *only* those households that have their televisions on.

To gauge audience, the television industry relies on two metrics — share and ratings.

Share indicates the percentage of the television sets in use that are tuned to a program at a given time. If, for example, 500 television sets are turned on in Orlando, Fla., and 250 are tuned to the 7 p.m. news hour on WKCF-TV, then that station gets a 50 share for that time slot.

Ratings, on the other hand, step back a level and indicate the percentage of households tuned to a program out of all households with television sets — not just those in use but also those that are turned off. In the same example, if Orlando had 1,000 television sets in total, with 250 tuned to WKCF-TV for the 7 p.m. news, then it would get a rating of 25.

*Major Change in Audience Measurement in 2010*
In an effort to measure the audience of people who watch programming both when it airs and later through digital video recorder (DVR) playback, Nielsen Media Research announced it would eliminate on April 1, 2010, ratings based only on who is watching a broadcast as it is aired.

Instead, the company said it would issue what has been termed live-plus-same-day program ratings. The new type of rating will combine live viewing with viewing via DVR playback.

A similar measurement for network television pushes ratings up by about 13%. The effect on local news is expected to be much smaller. Wally Dean, the broadcast/online director at the Committee of Concerned Journalists and a consultant to this report, told Pew Research Center that, almost exclusively, local news is watched live.

Still, the elimination of the live-only measurements has raised concerns among some advertising agencies that buy commercial spots and the advertisers they represent. One agency opposing the change is GroupM North America, a subsidiary of the London-based WPP Group that, according to the Television Bureau of Advertising, controls one third of all local television ad spending.

**Sweeps in 2009**

Typically, Nielsen measures audience in all media markets in the United States in February, May, July and November.

In 2009, the transition to digital television was scheduled for February 17 (although ultimately it did not take place until June 12). Both Nielsen and local stations agreed the analog shut-off would disrupt February audience measures too much, and therefore skew results. For stations, the concern was that ratings would drop, at least temporarily, when unprepared viewers discovered that their televisions no longer worked. In general, stations favored skipping February sweeps measurements altogether, but Nielsen decided to move the sweeps to March, citing contractual obligations.

Then Congress, at the urging of the Obama administration, delayed the digital transition to June 12. It was too late to conduct a February sweeps, so Nielsen carried out its March measurements.

Nielsen had not conducted measurements in March previously, nor does the company plan to in the future. This means there is no way to compare that March measurement to any other year.

Viewership patterns from February to March tend to differ significantly. February is darker and colder with more people indoors watching television. By contrast, warmer temperatures and daylight savings (which started March 8, 2009) can push television viewing down in March.

Indeed, the 2009 March measures tended to be much lower than those measured in February of 2008, especially for evening and morning news.
Amid the broad decline of the magazine industry in recent years, news magazines have been among the hardest hit. That trend continued in 2012 for the six publications analyzed by the Pew Research Center, Time and Newsweek, as well as four smaller niche publications—The Economist, The Atlantic, The Week and The New Yorker. Ad pages for the group fell by an average of 10.4% in 2012, about 25% greater than the 8.2% slide experienced by magazines over all.

Things were even worse on the newsstand. Sales of single-issue copies plummeted 16% on average for the six news titles, roughly two times the 8.2% decline in single-issue sales that the magazine industry as a whole suffered.

There was another stark reminder of the sector’s existential crisis in 2012: Tina Brown, the renowned former editor of Vanity Fair and The New Yorker who was brought in to save Newsweek in 2010, announced that the 80-year-old magazine would cease to exist as a print publication.

With a stark black-and-white cover centered on the old Newsweek building in midtown Manhattan—a building the magazine moved out of several years ago, partly to cut costs—Newsweek put out its last print issue on December 31, 2012, and moved to an all-digital format.

With the magazine’s costs now significantly reduced—though its revenues have been trimmed as well—Brown and the internet company IAC, the magazine’s owner, are betting that the news weekly will find a more promising future online than on the newsstand.

Time is now the last of the mass-market general interest news weeklies to survive in print form.

But Time’s 2012 numbers demonstrate considerable difficulty as well. Time was the only one of the six news magazines to see all three audience measures—newsstand sales, number of subscriptions and total circulation—decline in 2012. It also registered a 12.2% drop in ad pages, not the worst of the six but also far from the best.

Among the more niche-oriented publications, no one magazine stood out for having the strongest year. The Atlantic fared best in circulation numbers but suffered steep losses in ad pages. The New Yorker, on the other hand, limited ad losses to the single digits but suffered in single copy sales. The approaches among the four differ considerably, but they have all generally done a better job than the mass-market news weeklies of defining a clear identity and finding a loyal, albeit smaller, audience.

News magazines entered 2012 with the hope that the rise of the tablet and wider use of smartphones would provide a lifeline for their business. Pew Research Center data on how mobile devices are used for...
news suggest at least some return to longer-form news consumption and of articles people had not initially set out to read. The kind of consumption, in other words, that periodicals are built around but which ran counter to much of the search-driven, quick-hit readership of the desktop era of digital news. A year later, that potential for a tablet audience for magazine content clearly exists, though it is developing more slowly than many would like. And the finances to support even a digital publication remain unclear. As The New York Times media writer David Carr put it in an essay about the difficulties Brown faced, running a newsweekly in this environment “is a brutal, perhaps unwinnable, challenge.”

(See Digital section for more)

On top of all that, the request from the U.S. Post Office to stop Saturday delivery would bring an added headache to those magazines, including Time and The Week, structured around a Saturday delivery.

With all the grim news, one venerable magazine, the 99-year-old New Republic, launched what it hopes will be a major revival in 2013. Facebook co-founder Chris Hughes bought the magazine in early 2012 and rehired former editor Franklin Foer in May to help revive it. Placing his bets on digital and mobile, Hughes re-launched the magazine in January 2013 with digital features to enable long-form and mobile reading. Readers can begin an article on their tablets, for example, and then automatically pick up where they left off on their laptops or smartphones. The early moves to reshape the magazine have already begun to pay off, as newsstand sales increased 53% in the second half of 2012 over the first six months of the year, according to the magazine. (The New Republic has not been independently audited in recent years.)

Currently, it has 1,866 subscribers on the iPad and 3,085 subscribers receiving the magazine via the Nook, Kindle, Google Play and the Zinio digital newsstand.

**Single-Copy Sales**

A presidential election. The Summer Olympics. The Newtown killings. These are the types of events that once sent news magazines flying off the newsstands. No more. With the exception of The Atlantic and Newsweek, where Tina Brown’s often-controversial covers before the end of the print version appeared to have reaped benefits on the newsstand, the news magazines suffered double-digit declines in single-copy sales in 2012. Though these sales make up only a small portion of news magazines’ overall circulation, the figure is nonetheless seen as a more objective measure of a publication’s appeal than subscriptions, since publishers can manage subscription numbers by offering deals or discount pricing.

Time magazine saw the steepest plunge in 2012, as more than a quarter of its single-copy sales disappeared. But neither The Week nor The Economist was far behind. The Economist suffered a 17% decline, while The Week sold 18% fewer copies in 2012. The declines of 7% and 12% seen at The Atlantic and The New Yorker, respectively, look good only by comparison. (See data section for more)
The ready availability of news is behind much of that decrease; as readers increasingly turn to digital and mobile devices, they make fewer trips to the local newsstand. In the case of Time, managing editor Richard Stengel offers another explanation. He argues that the magazine faced particularly tough comparisons in 2012, because single-copy sales the previous year had been exceptionally strong. The deaths of Osama bin Laden and Steve Jobs, along with Britain’s royal wedding, all gave Time’s newsstand sales an extra-large boost in 2011. Its single-copy sales that year rose 6%, even as all the niche publications saw declines and Brown was just beginning to put her stamp on Newsweek.

Still, Time’s 2012 sales are far below both 2010 and 2009, which reflects the broader long-term trend of steady deterioration.

**News Magazines’ Single-Copy Sales Plummeted in 2012**

<table>
<thead>
<tr>
<th>Magazine</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Atlantic</td>
<td>40,842</td>
<td>37,835</td>
<td>-7%</td>
</tr>
<tr>
<td>The Week</td>
<td>2,080</td>
<td>1,713</td>
<td>-18%</td>
</tr>
<tr>
<td>The New Yorker</td>
<td>32,535</td>
<td>28,532</td>
<td>-12%</td>
</tr>
<tr>
<td>The Economist</td>
<td>46,459</td>
<td>38,437</td>
<td>-17%</td>
</tr>
<tr>
<td>Time</td>
<td>80,176</td>
<td>68,294</td>
<td>-27%</td>
</tr>
<tr>
<td>Newsweek</td>
<td>43,452</td>
<td>41,354</td>
<td>-5%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>40,924</td>
<td>34,361</td>
<td>-16%</td>
</tr>
</tbody>
</table>

Source: Alliance for Audited Media, Snapshot reports for consumer magazines

Subscriptions

Time also had the worst overall subscriptions numbers, which now includes both print-only subscribers and digital replica copies. (The Alliance for Audited Media (AAM), formerly called the Audit Bureau of
Circulations, broke out the digital data separately for the first time in 2012.)

The total subscription figure includes print readers as well as those who get the digital replica version. (Publishers can choose whether to count “all-access” subscribers who get both as either a print or a digital subscriber; generally they are counted as print subscribers.)¹ One important caveat, though, is that the AAM considers a digital replica an essentially identical digital version of a magazine’s print publication. If a publisher decides to present the digital magazine in a substantively different way - as The Atlantic did in August for its iPad version in order to include Web content for readers and give advertisers more flexibility in creating ads - then it is considered a nonreplica digital copy and not counted in the subscriber base. Publishers track those numbers separately and they are audited by the AAM, but not counted in the main base number used to set ad rates. (See data section for more)

Within the parameters of these metrics, Time was the only one of the six publications to see a drop in subscriptions. At the mass-market weekly, subscriptions fell 1% for 2012, a telling number since, as noted above, publishers can often control circulation numbers through pricing and discount deals.

Time’s Stengel told the Pew Research Center that the magazine had concentrated more on increasing the average price its subscribers pay, rather than boosting overall numbers. “At this point, it doesn’t increase profits much when we increase subscribers,” he said, adding that Time had increased the price many new subscribers pay to $30 from $20.²

Among the other magazines, Newsweek’s subscription count was essentially flat while The New Yorker and The Economist each booked minor gains of 1%. It was The Atlantic that saw the biggest jump, at 6%. In an interview with Pew Research Center, M. Scott Havens, president of The Atlantic, attributed the jump to attention-getting cover stories that brought people to its website and then ended up subscribing. “The magazine had a number of blockbuster covers that helped drive incremental subscriptions; we saw a noticeable uptick coming from website in the second half,” said Havens. One widely discussed cover alone, “Why Women Still Can’t Have It All” by Anne-Marie Slaughter, a former Obama administration foreign policy aide, attracted more than one million readers online.

The Week added 4% more subscribers to its base, on top of a 2.2% increase in 2011. Altogether, chief executive officer Steven Kotok said in an interview with Pew Research Center, the magazine has increased subscription revenues $5 million over the last two years. Those gains reflect The Week’s business model, which has been structured to rely more on subscriptions than on ads. Subscriptions now make up 60% of revenues, Kotok says, a higher share than at many magazines. (Typically, mass-market titles like Time and Newsweek have priced themselves low to attract large audience and counted on advertising to make up the bulk of revenues.)

Moreover, Kotok said that The Week was able to keep subscriber acquisition costs low by essentially outsourcing the job of finding new readers: the publication runs an array of gift subscription offers to use for friends and family. “Our main source of new subscribers is current readers turning others on to the magazine; they know better than we do who amongst their friends would be interested,” Kotok said.
“We’re incredibly good at engaging our readers, getting them to pay for print, and getting them to pay for gifts.”

### News Magazines’ Subscriptions Showed Improvement in 2012

<table>
<thead>
<tr>
<th>Magazine</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Atlantic</td>
<td>422,783</td>
<td>447,465</td>
<td>6%</td>
</tr>
<tr>
<td>The Week</td>
<td>526,326</td>
<td>549,945</td>
<td>4</td>
</tr>
<tr>
<td>The New Yorker</td>
<td>1,008,885</td>
<td>1,017,033</td>
<td>1</td>
</tr>
<tr>
<td>The Economist</td>
<td>798,118</td>
<td>805,579</td>
<td>1</td>
</tr>
<tr>
<td>Time</td>
<td>3,257,133</td>
<td>3,220,706</td>
<td>-1</td>
</tr>
<tr>
<td>Newsweek</td>
<td>1,481,538</td>
<td>1,486,265</td>
<td>0</td>
</tr>
<tr>
<td>Average</td>
<td>1,249,130</td>
<td>1,254,499</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Alliance for Audited Media, Snapshot reports for consumer magazines

The vast majority of the subscription numbers at these magazines still come from print. Digital replica numbers are a tiny fraction. The New Yorker has done best: 52,000 subscribers, or 5% of the total, get digital replicas. Newsweek was next, with 36,000, or 2.4%, of its subscribers on digital replicas. The Week and The Economist had less than 1% each. The Atlantic reported digital replica numbers for the second half of 2012 for its Kindle Fire and other non-iPad devices, with about 6,000 readers on those devices, or 1.2% of its total subscribers. No digital replica figures are available for Time.

Those numbers do not include the larger digital audience some publications are reaching with the nonreplica digital content that the AAM does not count, however, making it hard to get a full sense of the paying readership base. The Economist and Newsweek each broke out their own figures for 2012. In the first half of 2012, Newsweek reported that it had 12,322 digital non-replica subscribers, while The Economist had 49,699. In the second half of 2012, The Economist had 57,130 users of its nonreplica digital edition in the U.S., about seven times the number who receive the replica copy.

Perhaps clearer is the degree to which these audiences are accessing magazine content in more than one way. All of the publishers say that large numbers of their print subscribers now access mobile versions for at least some of their magazine reading. A slow transition is under way. At The New Yorker, for example, some 330,000 people have authenticated its iPad app, the vast majority of whom are print subscribers who have paid an additional $10 to gain digital access as well. “People love all-access,” said New Yorker publisher Lisa Hughes, in an interview with Pew Research Center. “They want to be able to read on their tablets while they’re traveling, or on their phones on the subway – and they’re willing to pay for it.”

### Overall Circulation

Time also struggled the most when it came to overall circulation, which is the combination of single copy sales and subscriptions—thanks in part to its decline in newsstand sales. Time’s average circulation fell 1.7% compared to 2011. (See data section for more)
The Atlantic and The Week, by contrast, were the big winners. The strong subscription gains achieved by each helped overcome weak single-copy sales to increase overall circulation in 2012. The Atlantic finished the year with a 4.7% rise in total circulation, while The Week added 4.4% to its count.

Newsweek was able to hold circulation steady despite a small drop in single-copy sales. Since newsstand represented less than 3% of Newsweek’s total circulation, it was able to balance out those losses with the tiny gains recorded in its much larger subscriber base. After nearly a decade of declining circulation, that was enough to give the magazine a tiny bump up in its final months as a print publication. The Economist and The New Yorker each saw flat circulation despite a 17% and 12% drop, respectively, in single-copy sales.

<table>
<thead>
<tr>
<th>Magazine</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>3,337,308</td>
<td>3,278,999</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Newsweek</td>
<td>1,524,989</td>
<td>1,527,619</td>
<td>0.2</td>
</tr>
<tr>
<td>The Economist</td>
<td>844,577</td>
<td>844,016</td>
<td>-0.1</td>
</tr>
<tr>
<td>The New Yorker</td>
<td>1,041,420</td>
<td>1,045,565</td>
<td>0.4</td>
</tr>
<tr>
<td>The Atlantic</td>
<td>463,625</td>
<td>486,300</td>
<td>4.7</td>
</tr>
<tr>
<td>The Week</td>
<td>528,406</td>
<td>551,658</td>
<td>4.4</td>
</tr>
<tr>
<td>Average</td>
<td>1,290,054</td>
<td>1,288,859</td>
<td>-0.1</td>
</tr>
</tbody>
</table>

For the big magazines, at least, this flat circulation still leaves them far below past highs. In 2003, total circulation for the six news magazines was 9.3 million. One decade later, it stood at roughly 7.7 million, including the million and half readers who stopped getting Newsweek in print at the end of 2012 and may or may not migrate to the digital version or to a print alternative like Time.

**Ad Pages**

The news magazines’ difficult advertising climate, a fact of life since 2004, continued throughout 2012. Despite hopes early in the year that an improving economy would lead to a revival, advertisers did the opposite and accelerated their shift out of print. Combined ad pages, the more accepted advertising measure than ad dollars, for the six publications studied here declined 10.4% in 2012, nearly double the 5.6% drop suffered in 2011. That compares to an 8.2% drop for the magazine industry over all. (See data section for more)

News magazines have been particularly hard hit by the enormous rise in competition from Google, Yahoo, Facebook and other websites, says Ken Doctor, a former Knight-Ridder executive and author of “Newsonomics: Twelve New Trends That Will Shape the News You Get.” “News magazines were once a great place to reach an educated, upscale slice of the audience, but with all the digital targeting available through other sites today, advertisers don’t need a magazine brand to do that anymore,” he said. “They are just one of many competitors who can reach those affluent readers.”
The Week took the biggest tumble among the six. Its new publisher, Michael Wolfe, who arrived from Men’s Journal in January 2012, has been unable to turn around a slide in ads begun in 2011. The Week suffered a 24.5% drop in ad pages, far more than any of the other news magazines and roughly double its 12.9% drop in 2011. A big factor in the drop, says Kotok, is that the magazine is often an “add-on” buy, rather than a must-have publication for many potential advertisers. As ad budgets have been squeezed, smaller noncore publications get dropped.9

That is a key reason why The Week has shaped its business model to rely more heavily on subscription revenues rather than advertising. While The Week, like other publications, is working to replace its lost print ads with digital ads, Kotok argues that the subscription-based strategy means that the impact of the ad page slide is lower than at other publications. In a comment that mirrors some of what Pew Research is seeing in the newspaper industry, Kotok said, “We will see growth in Web and tablet ads, and we’ll do all we can to get that to equal the drop in print. But we’re not betting the farm on that happening.”10 (See Newspaper chapter for more)

<table>
<thead>
<tr>
<th>News Magazines Lost Ad Pages in 2012</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newsweek</td>
<td>746.93</td>
<td>788.37</td>
<td>5.5%</td>
</tr>
<tr>
<td>Time</td>
<td>1,370.30</td>
<td>1,203.49</td>
<td>-12.2</td>
</tr>
<tr>
<td>The Economist</td>
<td>1,966.49</td>
<td>1,744.04</td>
<td>-12.2</td>
</tr>
<tr>
<td>The New Yorker</td>
<td>1,166.67</td>
<td>1,091.47</td>
<td>-6.4</td>
</tr>
<tr>
<td>The Atlantic</td>
<td>531.14</td>
<td>462.12</td>
<td>-13.0</td>
</tr>
<tr>
<td>The Week</td>
<td>671.22</td>
<td>506.53</td>
<td>-24.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,471.15</td>
<td>5,796.00</td>
<td>-10.4</td>
</tr>
</tbody>
</table>

Source: Publishers Information Bureau, Association of Magazine Media

PEW RESEARCH CENTER

2013 STATE OF THE NEWS MEDIA

Ad page declines at Time, The Economist and The Atlantic, while less severe, still hit double digits as advertisers shifted to digital. Only The New Yorker managed to keep its ad page losses to single digits. Hughes said the relatively moderate fall reflected the magazine’s unique positioning and brand, which draws a loyal, affluent readership. Paradoxically, she also credits The New Yorker’s strong digital growth over the last two years with helping maintain its print ad strength. The magazine now has an ability to offer advertisers “truly integrated deals,” she says, ad packages that combine print with tablet, web and iPhone ads. “That wasn’t something we could do before. It’s helping drive all our larger revenue deals,” she added.11

Newsweek provided the one bit of good news for the sector: its ad pages rose 5.5% as advertisers began to give Brown’s redesigned magazine a new look after the turmoil of the previous two years. Still, that was more a reflection of the fact that the magazine had nowhere to go but up rather than anything more broadly positive about the magazine or the sector. And it was nowhere near enough to gain back what Newsweek had lost following a slide of 19.8% in 2010 and a 16.6% drop in 2011.
Those declines represented a low point in what was a continual secular decline for the better part of a decade. At their peak in 2004, the six news magazines brought in about 10,000 total ad pages. They have fallen to 5,800 today.

**Ad Pages Continue to Fall for Major News Magazines**

_Total Ad Pages_

![Graph showing ad pages for major news magazines from 2002 to 2012.](chart)

Source: Publishers Information Bureau, Association of Magazine Media

**News Magazines' Shift to Digital & Mobile**

The still-sluggish economy accounts for some of the 2012 declines in advertising and circulation seen in 2012. But the rapid shift of news consumers and marketers to digital has played an equal, if not greater role in those declines.

The news magazine genre in general had difficulty establishing itself as a go to place in the desktop era of digital news where the desire for up-to-the minute information diminished the appeal of the more analytical, long-view journalism in the weekly magazines. Nevertheless, the magazines have continued to work toward developing their websites, and more recently to developing content for smartphones and tablets, where longer-form reading shows signs of resurgence.

The total Web audience for these magazines extends well beyond subscribers to their print or digital titles. And four of the six titles increased their Web audience in 2012.

As befits its status as the mass-market audience leader, Time boasts by far the largest online readership, with an average of 7.7 million unique monthly users in 2012. That was essentially flat compared with the prior year, however. The Economist, which makes only limited content available free to nonsubscribers on its website, showed minimal gains. The others all showed considerable strength: The New Yorker grew 80% and The Week picked up 71%, while the combined Newsweek/Daily Beast and The Atlantic each rose by about 50%.
With 31% of Americans adults owning a tablet and 45% owning a smartphone, news publishers focused even more in 2012 on mobile, where they are also counting on tablet apps to help convert nonpaying website readers into paying digital subscribers.\(^2\)

For now at least, magazine reading is a relatively small part of how people use these devices. Some 11% of smartphone owners read magazines on their phone weekly, as do 22% of tablet owners, according to Pew Research Center data from the fall of 2012. But news in general ranks near the top of their mobile activity with 64% getting news on their tablet at least weekly and 62% on their smartphones.\(^3\)

Even more promising for magazines is the type of reading and news consumption that is occurring. Fully 78% of tablet news users read in-depth articles at least sometimes on their device. Moreover, most of those consumers, 61%, said they read two to three articles in a sitting, while 17% read four or more. A vast majority, 72%, said they often read in-depth articles they did not set out to read, or what is known in the media as serendipity.\(^4\)

It is still early and it remains far from clear if mobile can ultimately provide the revenues needed to revive the industry. But news publishers, hopeful that it will provide a lifeline, intensified their efforts to develop tablet and smartphone offerings for readers and advertisers alike.

Time, for example, created a mobile-only product to track the presidential conventions.\(^5\) The New Yorker launched a full iPhone app for the magazine, and the Atlantic Group, the parent company of The Atlantic, designed its new business news site, Quartz, with the tablet audience in mind.

“There isn’t a one-size-fits-all solution,” said Time’s Stengel. “It’s about finding the right tool. I don’t want to read the same thing on my iPad as I do on my phone or on paper. Tailoring the content to each
If they crack that code, news magazines also hope that tablet advertising in particular could eventually make up a more substantial share of revenues. (Smartphone ads, on the other hand, carry rates even lower than browser-based Web ads.) On the downside, though, device makers like Apple and Google take a cut of each mobile ad dollar. (See Digital chapter for more)

For now, though, digital revenue over all, let alone that coming from mobile platforms, remains small.

Most news magazines do not break out such revenues separately, but industry leaders say the trends mirror those of the broad industry. Investment firm Veronis Suhler Stevenson (VSS) estimates that overall spending on digital platforms in magazines increased 22%, to $1.3 billion in 2012. The total includes digital and mobile advertising revenue, as well as content spending, such as subscriptions, apps and other services. That figure is expected to grow more than double, to $2.9 billion, by 2016.

**Magazines' Digital Revenues Continue to Grow**

![Digital Revenues Chart](chart.png)

Despite those gains, however, digital is still far from balancing out the broader slide in print revenues. VSS estimates that overall revenue for consumer magazines fell 2.7%, to $19.82 billion, in 2012, due to declining print advertising and circulation.

And, even after four years of double-digit growth, digital spending will still bring in a relatively small share of the consumer magazine revenue: VSS projects it will tally just 14.5% of total revenue by 2016, compared to 6.6% in 2012.
If all six magazines studied here face similar challenges, the strategies they have laid out to address the evolving news space vary considerably. Their approaches to the fast moving mobile space, in particular, are different.

**Newsweek**

The end was, perhaps, inevitable. Despite efforts to save Newsweek by merging it with The Daily Beast website under Tina Brown’s editorial direction, the revamped magazine never took hold. Much of that was pure economics. As Brown pointed out in an interview with New York Magazine, printing costs alone ran $42 million. At the same time, the magazine essentially gave up trying to build the Newsweek brand online, a strategy other news publishers consider critical to survival in the digital future. Instead, Brown merged it into the less well-known Daily Beast site. Readers and advertisers alike, struggling to understand where the magazine was headed or what its online brand stood for, remained wary.

In the New York interview, Brown blamed the “zeitgeist” for the magazine’s downfall, but she had trouble coming up with an editorial voice that resonated with readers. As she’s done throughout her career, Brown featured splashy covers meant to create buzz, but as often as not, they fell flat. An adulatory cover on Barack Obama as “The First Gay President” by star blogger Andrew Sullivan was seen as somewhat silly, while a few months later, a highly critical cover on President Obama by Harvard historian Niall Ferguson, “Hit the Road, Barack,” was widely scorned as error-ridden and little short of embarrassing.
Even without the editorial struggle, Newsweek’s fate may have been sealed with the sudden death in April 2011 of Sidney Harman, the businessman who had bought the magazine from The Washington Post for $1. Harman died soon after partnering with Barry Diller, who had backed Brown in creating The Daily Beast; his family declined to continue investing. By the spring of 2012, the two publications, often referred to as News Beast, were fully combined under the sole control of IAC, Diller’s online media company. The magazine’s mounting losses and weak prospects proved too much. Losses in the IAC division that includes Newsweek hit $53.5 million in 2012, more than three times the previous year.\(^\text{21}\)

The year-end closure led to another round of layoffs, with Brown keeping only the smaller staff needed to put out The Daily Beast and the digital version of the magazine, rechristened Newsweek Global. Justine Rosenthal, the executive editor of Newsweek, was named editorial director of the Newsweek Daily Beast Company, while Tunku Varadarajan moved from executive editor of Newsweek International to become editor of the new Global publication (The Daily Beast announced in March 2013 that Varadarajan was leaving his post). Deirdre Depke was named the editor of the Daily Beast website.\(^\text{22}\)

Other senior staffers, such as managing editor Tom Watson and features editor David Jefferson, left.

Newsweek Global will continue as a paying publication; the company hopes that subscribers will continue to read it on tablets and other e-readers. For now, the Daily Beast remains a free site with some Newsweek content. In December 2012, the company said that it is considering a metered pay wall to charge readers for Daily Beast content as well.\(^\text{23}\)

That’s not the only challenge the website will face. Brown will have to contend with the loss of Sullivan, the prolific blogger whom she had wooed from The Atlantic. Sullivan announced in January 2012 that he was separating from Newsweek to set up his own independent site. In a closely watched experiment, he, too, has set up a metered pay wall — one of the few bloggers with a strong enough following to attempt such a move.

**Time**

It was the first mass-market news magazine launched in the U.S., a model for Newsweek, U.S. News & World Report, and countless others around the globe. Now, it is the last to remain in the U.S., but victory probably rarely feels this pyrrhic. Aside from declines in print circulation and ad pages, Time also saw online readership stall, according to Nielsen Netview. After jumping from around 5 million unique monthly visitors in 2010 to 7.7 million in 2011, they were essentially flat in 2012. (See Digital glossary for more on online rating services)

To bolster those numbers, Time is investing heavily in beefing up its digital offerings. In October 2012, Time switched its website and other platforms to a technology known as “responsive design” which automatically adjusts content to the size of a user’s screen. The magazine also redesigned the various iterations of its site so that readers see the same content and have the same user experience, whether they check in on an Android smartphone, a full-sized iPad, or a desktop screen in the office. By making readers’ experience on Time.com and its mobile apps more engaging and easier to navigate, Stengel says, the hope is that they will come more often and stick around longer.
The content Time runs on its various platforms is also increasingly differentiated. While some longer, traditional magazine-style pieces run only in print, the website typically runs a far larger number of stories, with much more focus on aggregation, curation and basic explainers such as “What’s the Fiscal Cliff.” It takes advantage of the high quality screens and unlimited space to run ten times more photos in the tablet version of its “Lightbox” feature than can run in the magazine. Eventually, says Stengel, Time will create different stories just for smartphones, focusing on even shorter pieces and curation.24

Further mobile-only offerings are coming, too. Editors are now working on a separate Time-branded mobile destination for smartphones that will be released later in the year, he adds.

All that will help, but given the environment, it won’t be enough to offset the slowdown in print revenues. In early January, the magazine announced that it would publish just 48 issues in 2013, or 3 fewer than in 2012, to bring costs in line with lower revenues.25 The magazine also cut six positions as part of broader layoffs at parent company Time Inc., the magazine publishing unit of entertainment giant Time Warner.26

In an ever-more crowded market, where vast amounts of news is readily available free, the question is whether Time remains distinctive enough.

“Time’s fundamental problem is that the topics it talks about can be found in many places; whether they are bringing to them a sufficient aggregation of voices to differentiate themselves is in significant doubt,” says Doctor, the former Knight-Ridder executive.27

Time Inc. does not break out separate revenues for Time magazine. But the company overall continues to be hard hit by the downturn of the magazine industry. Revenue at the unit fell 7% for the full year, to $3.4 billion. The chief culprits: Lower domestic subscriptions, weak ad demand and a drop in worldwide newsstand sales. Adjusted operating income fell even further: for the full year it was down nearly 20%, to $463 million.28

In mid-February 2013, Time Warner entered into discussions to sell the majority of its magazine unit to Meredith, but according to news reports, Time would not be included in the sale.29 A few weeks later, Time Warner and Meredith ended the negotiations, because of concerns over the fate of four of Time Inc.’s magazines-Time, Sports Illustrated, Fortune and Money. At the same time, Time Warner announced it would spin off Time Inc., the publishing unit, into a separate publicly traded company.30 These developments followed a late January restructuring in which Time Inc. cut 500 jobs — nearly 6% of its global staff - as part of a mandate from Time Warner CEO Jeff Bewkes to shave $100 million from the publishing unit’s annual costs.31

The Economist

Like most of the sector, The Economist finished the year with a drop in single-copy sales and a slight gain in print circulation. But for the British news weekly, the real circulation news was elsewhere. Perhaps
more so than any of the other news publication, it is has moved aggressively to build up its digital subscriber base as it shifts its paying readers away from print.

Out of total global circulation of 1.6 million as of September, 140,000 customers – roughly 9% – bought digital-only versions, according to financial reports released by The Economist Group in September 2012. About 25% read both print and digital editions.32

Responding to questions in a recent “Ask Me Anything” session on the social news site Reddit, Tom Standage, The Economist’s digital editor, said of its print circulation, “We think this is the top, and we expect it to decline.”33 He said, however, that he believed that overall circulation would continue to grow as digital made up an ever-larger share of the total. “Our aim is to deliver our content in whatever form our readers want it,” Standage said. “We are not wedded to print.”34

The Economist’s high-end pricing strategy is one reason it can afford to make that shift more quickly than others. The magazine’s positioning as a smart, analytic read for the global business crowd allows it to target a much narrower niche — and charge its readers far more - than its American rivals. Moreover, it gets the same high premium whether or not readers get a physical magazine. U.S. readers pay $127 a year for either a print subscription or a digital subscription; access to both costs $160. That compares to just $30 that Time brings in for an all-access subscription. About half the publication’s readers - both in print and online - are American.

The Economist Group, which owns The Economist along with several other publications, does not divulge the magazine’s results separately. The company as a whole, however, remains in better shape than Time Inc. or the IAC unit that contains Newsweek. It reported revenue up 4% for the six months ending in September, to about $270 million. Operating profits were up 11.5%, to $46 million.35

Digital is growing fast: While print ads across the company slid 14% in the first half, revenue from digital advertising and other nonprint marketing services were up 27%.

To continue to draw online readers and build its brand further, the magazine has also shifted to a more digitally driven marketing strategy. In November 2012, the magazine hired a new agency to create a digital strategy in North America; in the future, traditional advertising will flow from that digital strategy, rather than digital playing second fiddle to print. The shift came after extensive research, according to Dayna DeSimone, the director of brand communications in the Americas for The Economist. In an interview with AdWeek, she said that while print was still “incredibly important” to the brand, the move reflected how “customers are using the digital channel for news information and ideas.”36

The New Yorker
With its depth of reporting, longer reads and intellectual pedigree, The New Yorker stands apart from the other publications studied here. It has carved out a unique niche for itself, one that appears somewhat more impervious to the difficulties rattling others within the sector. With print circulation up slightly and ads down far less than others, it turned in one of the better performances of the year.
In addition to its roughly one million print subscribers, publisher Lisa Hughes said in an interview with Pew Research Center that the magazine had found tens of thousands of new readers on the iPad. Hughes has also increased subscription prices substantially to make up for lost advertising revenue. Two years ago, a magazine subscription cost $39; now, readers pay $69 for an all-access subscription or $59 for either print or digital. With nearly one-third of print subscribers paying extra for the digital access, that helps bolster revenues. “Our circulation revenues are material and growing,” she said. “We care a lot about finding new readers and making sure we’re charging them the right price.”

Mobile is a top priority, as it is throughout Condé Nast, the privately held magazine giant that publishes The New Yorker. After becoming the earliest of the publisher’s magazines to move onto the iPad in 2011, The New Yorker was the first to launch a slimmed-down version for the iPhone in August 2012.37

The move is partly targeted at a younger, hipper audience than is typically drawn to The New Yorker. The iPhone app was launched with a splashy, tongue-in-cheek video featuring the stars of two hit TV series, Jon Hamm of Mad Men on AMC and Lena Dunham, the creator and star of the 20-something Girls on HBO.

While much of the magazine’s content remains behind a pay wall, The New Yorker has also created a much fuller, more active website in the last year. It is frequently updated with content that goes well beyond what is in the weekly magazine. Its writers now regularly contribute to expanded channels on politics, news and culture. In July 2012, it created a new humor channel (or section of the website) built around political comedian Andy Borowitz.38 His popular blog, The Borowitz Report, has now moved to The New Yorker’s site. In addition, a new business channel was launched in February 2013 and another devoted to science and technology is coming in April 2013, the next stage in ambitious plans to continue expanding the magazine’s digital audience. “We decided that this was a serious business for us,” said Hughes. “It was the moment to invest in NewYorker.com; to build it out and make it a real game changer.”39

Those moves appear to be paying off. Its monthly unique visitors grew 80% in 2012, and have more than tripled since 2010, according to Nielsen Netview.

**The Atlantic**

For several years now, The Atlantic has been the breakout star within the news category. Thanks to an aggressive digital-first strategy, which prioritized expanding the magazine’s reach and readership online rather than protecting the legacy print magazine, The Atlantic has made a much more successful conversion to digital than most magazine publishers. It has added new vertical channels such as The Atlantic Cities, The Sexes, and the news aggregator The Atlantic Wire. Its parent company, The Atlantic Group, also launched Quartz, a business site targeted at global executives, in the fall of 2012.

Those moves have not only paid off in the digital world; they have also helped burnish the magazine’s overall brand. Readership is up in both mediums. Thanks to a big jump in subscriptions, The Atlantic’s overall circulation rose 4.7%, the biggest gain among the news publications studied here. And online traffic for its main site leapt 52%, according to Nielsen Netview. The Atlantic also boasts 30,000 paying subscribers through the iPad, Kindle and the Nook.40
That growth has not come without problems: much of its strength in digital advertising has stemmed from being a leader in so-called native ads, the online equivalent of advertorials, in which advertising material is presented much like a site’s own stories. In January 2013, the magazine came in for scathing criticism when it ran a highly promotional native ad written by the Church of Scientology and its marketing staff appeared to be censoring negative comments. Havens quickly pulled the ad and the company says it has developed new standards for such ads.

The Atlantic has also done a better job than most at diversifying its revenues. It has rapidly built a successful events business, leveraging its well-known brand name to become a marquee player. It expanded its widely attended fall policy conference in Washington to include a New York offshoot in 2012, and draws a lineup of heavy hitters for the Aspen Ideas Festival it hosts jointly with the Aspen Institute in June. With growth of 30% annually in recent years, events now make up about 16% of revenues; that could increase to 18% or 20% next year, says Havens.

Developing more paid content opportunities will also be a key focus in 2012. The Atlantic is moving into e-books and, in addition to its own material, it might collaborate with long-form digital sites such as The Atavist or repackage material in the public domain, Havens said. He also plans to experiment with a metered pay wall on its website. The moves will allow The Atlantic to take advantage of micro payments and further reduce its reliance on advertising.

“We’re seeing a transition from being a magazine with circulation and print ads to becoming a digital and events business,” he added. “The magazine still plays a huge role, but it’s not a financial role. It’s the face of the brand.”

The Week
In recent years, The Week has developed a strong niche at the opposite end of the spectrum from The New Yorker or The Economist: its tightly edited summaries of coverage aggregated from hundreds of publications around the globe offer readers bite-sized snippets of the week’s news. For busy readers looking to keep up without bogging down, it has become a one-stop shop to keep abreast of key events in politics, business, science and the arts.

That formula continues to work with readers. The Week has steadily increased its rate base, growing more than five-fold since its launch in 2001. Subscriptions, which include digital access, cost $59.

Heavy investments in building its digital presence have paid off as well: The publication launched its first iPad app early in the year. It primarily features the magazine’s print content.

The Week’s online traffic also took a big leap in 2012, rising 71%, according to Nielsen Netview. When they log in, readers find content that differs considerably from what they see in the magazine because very little of the print content shows up online. The CEO, Steven Kotok, says that 30 original stories a day go up on the site; “Our Web readers dip in during the day, often from the office. They want a quick hit,” he said. “When our print readers look at the magazine on the weekend, they want a deeper dive.”
While those moves have been a success with readers, Kotok concedes the Web traffic is hard to monetize. “We’re not a brand that can charge for our Web content,” he said. With print ads in decline, he is looking elsewhere to diversify its revenue stream.

In 2011, the company bought Mental Floss, a trivia and news magazine targeted at younger readers. It gets 25% of its revenues recommending books and other items it sells through ecommerce.

Kotok says The Week is now using Mental Floss’s e-commerce model to build a similar book and gift business that will launch in June targeted to its own subscribers. “We don’t want to bank on turning world of print around,” he says. 

**The Magazine Industry Overall**

The broader consumer magazine industry lived through another difficult year in 2012, though not quite as tough as the news magazines. Overall magazine circulation (including single-copy sales and subscriptions) stabilized, though print ads fell for the sixth year in a row. (See data section for more)

Circulation provided one small bright spot amid the industry’s continuing difficulties. Overall magazine circulation, which includes subscriptions, digital replicas and newsstand sales, was essentially flat for the second half of 2012, according to the Alliance for Audited Media.

The growing popularity of combined digital-and-print subscriptions, fueled by the rise of tablets and smartphones, appears to be one factor behind that stabilization. Paid subscriptions, which make up 91% of total circulation, were essentially flat in 2012 at the 406 U.S consumer magazines measured by the Alliance for Audited Media for which circulation data were available for both periods.

Things continue to look grim for newsstand sales, however.

For the fifth year in a row, newsstand sales declined sharply. Single-copy sales dropped around 8% for the second half of 2012.
The circulation picture was much the same for the top 25 magazines surveyed as for the industry as a whole: 12 of the leaders experienced circulation declines in the second half of 2012. People, the ninth-largest magazine, declined the most, falling 6%, a loss of more than 200,000 copies, in the second half of 2012.

For all those difficulties, however, print is hardly dead. Only 5% of magazine publishers surveyed by the Alliance for Audited Media in October 2012 said they planned to offer readers a digital-only subscription. And only 3% of said they expected their publications to be digital-only with the next five years.46

**The Trend in Advertising Pages**

On the advertising front, the picture continued to darken. It was a disappointing year for many publishers, who had expected the reviving economy to lead to stronger ad sales.47

Based on the most reliable measure - the number of print ad pages sold - the industry’s multiyear slide worsened. Total ad pages for the 211 magazines tracked by the Publishers Information Bureau fell 8.2%, to 150,699 for the year - a much sharper decline than the 3.1% drop seen in 2011.
Ad pages dropped in 10 of the 12 categories the Publishers Information Bureau tracks.

The hardest hit were automotive and food and food products, which fell 22% and 13%, respectively. Only toiletries did well, booking gains of 4%, while apparel and accessories remained flat. These categories have been growing for the past three years, but their gains are offset by the weak performances elsewhere, says Mary Berner, the President and chief executive of the MPA, the Association of Magazine Media. In the sluggish auto market alone, ads remain well below their 2006-07 peak, while a shift by food giant Kraft toward greater digital spending accounted for much of the decline in food industry ad pages.48

Magazine ad performance is off to a more robust start in 2013, Berner adds. Condé Nast reported the strongest first quarter ad sales in five years, while Hearst and Time Inc. both project 6% growth in ad pages.49

Magazine Employment
Faced with that difficult advertising climate, magazines cut jobs sharply in 2012. Employment at U.S. magazines fell 4%, more than twice the 1.7% decline in 2011, according to Advertising Age’s analysis of recent Bureau of Labor Statistics data.
Continue reading Magazines: By the Numbers

Endnotes


4. For readers of Time, The Week and The Atlantic, a magazine subscription automatically grants access to the digital content. The Economist and The New Yorker are the only two that charge print subscribers extra for access to the digital editions.


7. Ad pages are considered a more reliable indication of the financial health of a magazine. The total dollar figure is calculated by multiplying the rate given on the rate card by each publication by the number of ad pages, but this is an inaccurate representation of actual ad revenue because advertisers rarely, if ever, pay the amount given on the rate card.


21. IAC. Quarterly Earnings.


Amid the broad decline of the magazine industry in recent years, news magazines have been among the hardest hit. That trend continued in 2012 for the six publications analyzed by Pew Research Center, Time and Newsweek, as well as four smaller niche publications - The Economist, The Atlantic, The Week and The New Yorker. The year 2012 also brought another stark reminder of the sector’s continuing crisis: In December, Newsweek ended its print circulation, leaving Time as the sole mass-market magazine among the traditional news magazines.

Audience

Sales of single-issue copies plummeted 16% on average for the news magazines, roughly two times the 8.2% decline in single-issue sales that the magazine industry as a whole suffered. Time was the hardest hit, plummeting 27%. Newsweek, on the other hand, declined just 5%, the lowest drop among the six news magazines.
magazines. While newsstand sales account for just a small portion of total circulation, they are deemed a more objective indicator of a magazine's editorial appeal than subscription circulation, which is often influenced by discount programs and promotions. Niche publications also saw declines in 2012 in newsstand sales — 17% at The Economist, 18% at The Week and 12% at The New Yorker. The Atlantic’s 7% drop looked good only by comparison.

**News Magazine Single Copy Sales Plummeted in 2012**

*Average Single Copy Sales Circulation Over Time, in Thousands*

![Bar chart showing single copy sales for various news magazines from 2008 to 2012.](chart)

Source: Alliance for Audited Media, Snapshot reports for consumer magazines
Note: Numbers are rounded. In 2008, both The New Yorker and The Week had 1.8 thousand single-copy sales.

Subscriptions (both print and digital replicas) make up the majority of the news magazines’ circulation and are normally kept at least stable through discounts or special offers. Nevertheless, in 2012, Time saw a 1% decline — the only one of the six publications to see a drop. Newsweek, on the other hand, stopped the four-year slide, keeping subscriptions flat. Still, since 2007, the magazine has lost more than 50% of its subscribers. Niche news magazines all reported increased subscriber numbers. The New Yorker and The Economist each had minor gains of 1%. The Atlantic enjoyed the biggest increase with a 6% growth in subscriptions, while The Week saw subscriptions grow by 4%.

SEE FULL DATA SET
Single-copy sales and subscriptions come together for total circulation. Time, after stable circulation the last two years, posted a 1.7% drop in 2012, the highest in the group. Newsweek appeared to have stopped its five-year slide, keeping its circulation at 1.5 million copies.

The Atlantic and The Week were the big winners. The Atlantic enjoyed the largest percentage gain among the six news magazines in 2012, a 4.7% increase, or 485,000 copies - though it remains the smallest of the group in total numbers.

The past 10 years’ total circulation for the six news magazines, however, has dropped sharply, particularly due to Newsweek’s losses. From 9.3 million in 2003, overall circulation in 2012 was 7.7 million. As a group, overall circulation was flat in 2012 (down 0.09%), compared to 2011.
Digital Audience

In the digital realm, Time maintains the largest website audience by far, according to Nielsen Netview, but failed to increase it in 2012. The smaller domains of The New Yorker and The Atlantic, on the other hand, saw sharp growth. The New Yorker grew 80% and The Week picked up 71%, while The Atlantic rose by about 50%. The Economist, which makes only limited content available to nonsubscribers on its website, showed minimal gains.

Newsweek (which suffered steep website declines in 2011) no longer has an individual website but is under the umbrella of The Daily Beast. That site drew 4.8 million U.S. unique monthly visitors in 2012, an increase of 47% over 2011.
Despite the hopes for an improving economy, the advertising climate continued to be gloomy. News magazines overall saw their ad pages fall in 2012, like much of the rest of the magazine industry. Combined ad pages for the six magazines studied here, were down 10.4% in 2012, after losing 5.6% in 2011.
With the exception of Newsweek, the news magazines analyzed here suffered major declines in ad pages in 2012, according to the Publishers Information Bureau.

### Most News Magazines Lose Ad Pages in 2012

<table>
<thead>
<tr>
<th>Magazine</th>
<th>2011</th>
<th>2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newsweek</td>
<td>746.93</td>
<td>788.37</td>
<td>5.5%</td>
</tr>
<tr>
<td>Time</td>
<td>1,370.30</td>
<td>1,203.49</td>
<td>-12.2</td>
</tr>
<tr>
<td>The Economist</td>
<td>1,986.49</td>
<td>1,744.04</td>
<td>-12.2</td>
</tr>
<tr>
<td>The New Yorker</td>
<td>1,166.57</td>
<td>1,091.47</td>
<td>-6.4</td>
</tr>
<tr>
<td>The Atlantic</td>
<td>531.14</td>
<td>462.12</td>
<td>-13.0</td>
</tr>
<tr>
<td>The Week</td>
<td>671.22</td>
<td>506.53</td>
<td>-24.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,471.15</td>
<td>5,796.00</td>
<td>-10.4</td>
</tr>
</tbody>
</table>

Source: Publishers Information Bureau, Association of Magazine Media

This is the sixth year in a row that Time’s ad pages declined, while Newsweek’s ad pages increased for the first time since 2006 (though they still remain below the 2006 level.) The four niche news magazines also saw a difficult advertising climate. Most noteworthy was The Week, which suffered a 24.5% drop in ad pages, following a 12.9% drop in 2011. Also, The Atlantic and The Economist saw a double-digit decrease of 13% and 12% respectively. Only the New Yorker managed to keep its ad pages losses in single digits, with a drop of 6.4%.

### Ad Pages Decline for News Magazines

Number of Ad Pages

![Graph showing ad pages decline for news magazines]

Source: Publishers Information Bureau, Association of Magazine Media

2013 STATE OF THE NEWS MEDIA
Demographics

News magazines continue to attract an elite audience, which is older and wealthier than the U.S. population on average.

The median annual household income of a news magazine reader in 2012 was $94,363 for the four magazines for which 2012 data are available (Time, The Economist, the New Yorker and The Atlantic), according to MediaMark. This is slightly lower than in 2011 ($95,522), but much higher than the $59,377 U.S. national average.

The median age of news magazine readers remained steady in 2012 at 49 years, older than the adult U.S. population over all, which has a median age of 45.8.
The Economist continues to have by far the youngest and wealthiest readership, with a median age of 44.3 and household income of more than $119,000.

### News Weeklies’ Demographics in 2012

<table>
<thead>
<tr>
<th></th>
<th>Average Household Income</th>
<th>Median Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Atlantic</td>
<td>$88,067</td>
<td>53.3</td>
</tr>
<tr>
<td>The Economist</td>
<td>119,385</td>
<td>44.3</td>
</tr>
<tr>
<td>The New Yorker</td>
<td>96,329</td>
<td>51.2</td>
</tr>
<tr>
<td>Time</td>
<td>73,671</td>
<td>48</td>
</tr>
<tr>
<td>U.S. Average</td>
<td>59,913</td>
<td>45.8</td>
</tr>
</tbody>
</table>

The Atlantic’s readers saw their median household income drop in 2012 to about $88,000 from $91,079 in 2011. The same was seen for The Economist and Time, whose readers’ median household income, declined 1% and 2% respectively. Only The New Yorker readers’ household incomes rose, by 2%, in 2012.
At the same time, the median age of news magazine readers stayed somewhat the same in 2012. The Atlantic continued to have the oldest readers (53.3).

More men than women read weekly news magazines, with one exception, The New Yorker. As in the past years, the New Yorker has more female readers, who make up 53% of its readership. In 2012, The Atlantic
had the highest percentage of male readership in our news magazine group, at 64%.

**Most News Magazines Have More Male Readers**

*Percentage of Men and Women for Each News Magazine*

![Bar chart showing the percentage of men and women readers for The Atlantic, The Economist, The New Yorker, and Time.]

Source: Mediamark Research, Survey Data
Note: Mediamark does not provide data for Newsweek and The Week.

**Content**

An analysis by the Pew Research Center of cover stories for 2012 reveals the stark differences among the newsweeklies’ content. The Economist, a British-based magazine, continued to focus on international news and the economy, particularly such issues as the economic crisis, the unrest in Syria and China’s economy. The 2012 presidential election was the main subject for which Time and Newsweek allocated a significant number of covers. And The New Yorker’s covers—which tend to relate to lifestyle and culture—had 13 covers dedicated to national affairs in 2012.
Time’s covers returned to their traditional focus of national affairs, particularly the presidential election, dedicating twice as many covers to that topic as in 2011 (19 covers in total in 2012). Covers related to the economy, on the other hand, dropped by more than half.

The balance of Newsweek’s covers shifted sharply from an even mix of national and International affairs in 2011 to nearly three times as many national affairs covers as international in 2012.
The New Yorker’s covers, as many would expect, were dominated by stories related to culture and lifestyle (19 covers), but less so than in 2011 (23 issues). In 2012, the New Yorker turned to the coverage of the presidential election, dedicating about three times more covers on national affairs than in 2011.
The Magazine Industry Over All in 2012

Audience
After four years in decline, the magazine industry overall managed to stabilize. Magazine circulation (which includes the print copies and digital replicas (LINK TO GLOSSARY) was essentially flat, down 0.3% for the last six months of 2012, according to Pew Research Center’s analysis of data from the Alliance for Audited Media. Pew Research analyzed data for the 406 magazines that reported circulation numbers for both periods in 2012 and 2011.

Overall Circulation Flat in 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>-1.1%</td>
</tr>
<tr>
<td>2009</td>
<td>-2.2%</td>
</tr>
<tr>
<td>2010</td>
<td>-1.5%</td>
</tr>
<tr>
<td>2011</td>
<td>-1.0%</td>
</tr>
<tr>
<td>2012</td>
<td>-0.3%</td>
</tr>
</tbody>
</table>

Source: Alliance for Audited Media. Snapshot reports for consumer magazines
Note: Data represent circulation numbers for magazines that they reported for the last six months audited for each year, ending December 31.

Print sales still dominate the industry. Paid subscriptions are up ever so slightly, including digital replicas, but the industry is still dominated by print. Replicas account for just 3% of the total magazine circulation. (See essay for more)

Magazines' Paid Subscriptions Up for 2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>0.3%</td>
</tr>
<tr>
<td>2009</td>
<td>-0.8</td>
</tr>
<tr>
<td>2010</td>
<td>-1.1%</td>
</tr>
<tr>
<td>2011</td>
<td>0.04%</td>
</tr>
<tr>
<td>2012</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Source: Alliance for Audited Media. Snapshot reports for consumer magazines
Note: Data represent circulation numbers for magazines that they reported for the last six months audited for each year, ending December 31.
Newsstand sales continued decline for a fifth consecutive year. Single copies dropped about 8% compared to the same period last year, about the same rate as the last two years.

**Newsstand Circulation Continues to Decline**

*Percentage Change of Single Copy Sales Circulation, 2008-2012*

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>-11.2%</td>
</tr>
<tr>
<td>2009</td>
<td>-9.3%</td>
</tr>
<tr>
<td>2010</td>
<td>-8.2%</td>
</tr>
<tr>
<td>2011</td>
<td>-8.9%</td>
</tr>
<tr>
<td>2012</td>
<td>-8.0%</td>
</tr>
</tbody>
</table>

*Source: Alliance for Audited Media, Snapshot reports for consumer magazines

*Note: Data represent circulation numbers for magazines that they reported for the last six months audited for each year, ending December 31.*

Among top 25 magazines, 12 saw circulation declines and 3 were flat in the second half of 2012. The ninth-ranked People declined the most, falling 6%, a loss of about 200,000 copies, in the second half of 2012.

National Geographic, a magazine related to geography, popular science, history and culture, enjoyed the biggest increase, up 6% to 4 million copies in the second half of 2012.
### Top 25 Magazines Circulation

**Overall Circulation for the Second Half of 2012**

<table>
<thead>
<tr>
<th>Magazine</th>
<th>2011</th>
<th>2012</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AARP THE MAGAZINE</td>
<td>22,407,421</td>
<td>22,721,661</td>
<td>1.4%</td>
</tr>
<tr>
<td>AARP BULLETIN</td>
<td>22,171,632</td>
<td>22,403,427</td>
<td>1.0%</td>
</tr>
<tr>
<td>GAME INFORMER MAGAZINE</td>
<td>7,617,844</td>
<td>7,864,326</td>
<td>3.2%</td>
</tr>
<tr>
<td>BETTER HOMES AND GARDENS</td>
<td>7,514,460</td>
<td>7,621,456</td>
<td>1.4%</td>
</tr>
<tr>
<td>READER’S DIGEST</td>
<td>5,560,046</td>
<td>5,527,183</td>
<td>-0.6%</td>
</tr>
<tr>
<td>GOOD HOUSEKEEPING</td>
<td>4,480,788</td>
<td>4,354,740</td>
<td>-2.8%</td>
</tr>
<tr>
<td>FAMILY CIRCLE</td>
<td>4,341,426</td>
<td>4,143,942</td>
<td>-4.5%</td>
</tr>
<tr>
<td>NATIONAL GEOGRAPHIC</td>
<td>3,886,853</td>
<td>4,125,152</td>
<td>5.1%</td>
</tr>
<tr>
<td>PEOPLE</td>
<td>3,872,671</td>
<td>3,637,633</td>
<td>-6.1%</td>
</tr>
<tr>
<td>WOMAN’S DAY</td>
<td>3,569,811</td>
<td>3,374,479</td>
<td>-5.5%</td>
</tr>
<tr>
<td>TIME</td>
<td>3,298,390</td>
<td>3,281,175</td>
<td>-0.5%</td>
</tr>
<tr>
<td>TASTE OF HOME</td>
<td>3,232,354</td>
<td>3,268,549</td>
<td>1.1%</td>
</tr>
<tr>
<td>LADIES’ HOME JOURNAL</td>
<td>3,230,514</td>
<td>3,230,450</td>
<td>0.0%</td>
</tr>
<tr>
<td>SPORTS ILLUSTRATED</td>
<td>3,178,760</td>
<td>3,174,888</td>
<td>-0.1%</td>
</tr>
<tr>
<td>COSMOPOLITAN</td>
<td>3,040,013</td>
<td>3,023,884</td>
<td>-0.5%</td>
</tr>
<tr>
<td>PREVENTION</td>
<td>2,974,117</td>
<td>2,921,618</td>
<td>1.7%</td>
</tr>
<tr>
<td>SOUTHERN LIVING</td>
<td>2,865,845</td>
<td>2,867,235</td>
<td>0.0%</td>
</tr>
<tr>
<td>MAXIM</td>
<td>2,507,318</td>
<td>2,543,563</td>
<td>1.4%</td>
</tr>
<tr>
<td>AAA LIVING</td>
<td>2,471,160</td>
<td>2,455,280</td>
<td>-0.6%</td>
</tr>
<tr>
<td>O, THE OPRAH MAGAZINE</td>
<td>2,380,782</td>
<td>2,439,747</td>
<td>2.5%</td>
</tr>
<tr>
<td>GLAMOUR</td>
<td>2,353,863</td>
<td>2,324,170</td>
<td>-1.3%</td>
</tr>
<tr>
<td>AMERICAN LEGION MAGAZINE</td>
<td>2,303,613</td>
<td>2,268,015</td>
<td>-1.5%</td>
</tr>
<tr>
<td>PARENTING</td>
<td>2,231,783</td>
<td>2,232,707</td>
<td>0.0%</td>
</tr>
<tr>
<td>REDBOOK</td>
<td>2,224,418</td>
<td>2,214,603</td>
<td>-0.4%</td>
</tr>
<tr>
<td>ESPN THE MAGAZINE</td>
<td>2,109,547</td>
<td>2,142,937</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Source: Alliance for Audited Media, Snapshot reports for consumer magazines

Note: All magazines in the top 25 list are monthly magazines except for Time, People and Sports Illustrated, which are published weekly, and AARP Magazine and Bulletin, which are published bimonthly. Thus many more copies are sold in the course of a year than the total of a monthly’s magazine.

2013 STATE OF THE NEWS MEDIA

### Economics

The magazine industry has not managed to recover after the hard years of 2008 and 2009. After a brief period of stabilization in 2010, declines resumed in 2011 and 2012. Ad pages, for the 211 magazines tracked by the Publishers Information Bureau, fell 8.2% from 164,190 in 2011 to 150,699 in 2012. Of these 211 magazines, 151 reported declines in the number of ad pages sold. For a second consecutive year Reader’s Digest Large Edition was one of the big winners (up 31%), along with a magazine geared towards African Americans, Ebony, which enjoyed a 23% increase in its ad pages. (See African-American chapter for more)
The overall decline in ad pages occurred in most of the magazine advertising categories: 10 out of the 12 experienced sharp declines. The hardest hit was automotive ad pages, which slumped almost 22% in 2012. The automotive ad category had seen a brief recovery of 17% in 2010, but then fell 6% in 2011. The only increase occurred in the toiletries and cosmetics ads (almost 4%), while apparel and accessories ads were flat (up 0.1%).

**Most Magazine Advertising Categories Lose Ground**

*Percentage Change of Advertising Categories Spending, 2011-2012*

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toiletries &amp; Cosmetics</td>
<td>3.9%</td>
</tr>
<tr>
<td>Apparel &amp; Accessories</td>
<td>0.1%</td>
</tr>
<tr>
<td>Technology</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Retail</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Direct Response Companies</td>
<td>-5.3%</td>
</tr>
<tr>
<td>Media &amp; Advertising</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Home Furnishings &amp; Supplies</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Drugs &amp; Remedies</td>
<td>-8.7%</td>
</tr>
<tr>
<td>Public Transportation, Hotels &amp; Resorts</td>
<td>-12.4%</td>
</tr>
<tr>
<td>Financial, Insurance &amp; Real Estate</td>
<td>-12.5%</td>
</tr>
<tr>
<td>Food &amp; Food Products</td>
<td>-12.6%</td>
</tr>
<tr>
<td>Automotive</td>
<td>-21.7%</td>
</tr>
</tbody>
</table>

Source: Association of Magazine Media and Kantar Media

SEE FULL DATA SET
Magazine company revenue data are reported a year behind. The most recent data available, 2011, reveal improved performance at Time Warner (publisher of Time, Sports Illustrated and Fortune) and stable revenue for the rest of the publishing companies.

The top three maintained the revenue gains of 2010, but they have not returned to the levels prior to 2008.
Ownership

In the consumer magazines sector, 43 acquisitions were announced, according to the Jordan, Edmiston Group, compared to 32 in 2011. However, the total value of these acquisitions was only $277 million, compared with $3.2 billion the year before.

Total Value of Magazines Acquisitions in 2012

Source: Jordan, Edmiston Group, Inc. (JEGI)

Source: Estimates provided by Advertising Age, Data Center, December 2012
Note: Numbers represent revenues of the companies' publishing divisions.
**Alliance for Audited Media (AAM)**
The Alliance for Audited Media, formerly the Audit Bureau of Circulations, is a not-for-profit membership organization. AAM announced in November 2012, that Certified Audit for Circulation would become subsidiary of AAM. According to AAM, in 2013 and beyond, its Media Intelligence Center will offer insight into print and digital circulation for nearly 2,000 daily and weekly U.S. newspapers, which will be available to more than 1,000 newspaper advertisers and media buying agencies that are members of one or both organizations.

**Ad pages**
The total number pages of advertising published, based on an actual count of ads in a publication.

**Ad dollars**
Publishers Information Bureau estimates of advertising revenues, derived by combining official ad rates and published pages. It multiplies the rate magazines charge on their rate card by the number of ad pages they published. The resulting estimate is an imprecise representation of actual ad revenue because advertisers often get discounted prices from the rate card. Because of various discounts and incentives, experts say that actual revenue is often half what the reported ad dollars would suggest. For this reason we are not using these estimates.

**Back Copies**
Copies served to a new subscriber that are older than the current issue. Often used to help meet paid rate base or controlled demographics goals.

**Bureau**
An office for gathering or distributing news. Similar terms are used for specialized bureaus, often to indicate geographic location or scope of coverage: a Tokyo bureau refers to a given news operation’s office in Tokyo, Japan; foreign bureau is a generic term for a news office set up in a country other than the primary operations center; a Washington bureau is an office, typically located in Washington, D.C., that covers news related to national politics in the United States.

**Circulation**
A magazine’s total net paid subscriptions and single copies (newsstands). Subscriptions may include digital subscriptions i.e. websites’ subscriptions circulation.

**Consumer magazines**
They do not include farm and religious magazines, as well as publications which are not filed.

**Digital magazine (replica)**
Where the advertising and editorial content exactly match the printed publication.

**Digital magazine (non replica)**
Where the basic identity and content are similar to the printed edition but the articles and advertising may differ. Free, unrestricted public access to a Web site does not qualify as a paid digital edition.

**Single Copy Sales**
Also called newsstand sales. Single copies of magazines sold at retail. Most single-copy sales are made in supermarkets and other mass retail outlets. Many publishers also distribute through specialty stores.

**Social media**
Online technologies and practices that people use to share opinions, insights, experiences, and perspectives with each other.

**Social Networking**
Web sites that allow people to link to others to share opinions, insights experiences and perspectives, whether it’s music fans on MySpace, business contacts on LinkedIn, or classmates on Facebook. Many media sites have adopted social networking features such as blogs, message boards, podcasts and wikis to help build online communities around their content.

**Unique Visitors**
The number of inferred individual people within a designated reporting timeframe, with activity consisting of one or more visits to a site. Each individual is counted only once in the unique visitor measure for the reporting period.

**Backgrounders**

**Rate Base**
Some declines in circulation are by design. Newsweek and Time in the United States, for example, have been actively trying to reduce the minimum circulation the publications guarantee to advertisers in recent years.

Why would a magazine seek to reduce the number of copies it distributes?

The biggest share of revenue a magazine takes in comes from advertising, with a much smaller share from subscriptions and sales of individual copies. Advertising rates are based on a promised circulation number for each issue. This number is often lower than actual circulation. Many publishers guarantee advertisers that they will maintain a certain average circulation level, or rate base, over a given six-month audit period (a few publishers guarantee rate base on each issue published).

If a magazine fails to deliver the promised circulation, a publisher has to refund advertisers a portion of the rate, based on how short circulation falls.

Publishers make certain that they meet the guaranteed circulation, or advertising rate base, mostly by attracting readers through incentives. And some offer steep discounts to subscribers to meet this goal, discounts that can cut into any profits.
With a slow erosion of ad sales at magazines since the mid-1990s—and significantly fewer ads bought in 2008—publishers have reconsidered the cost-effectiveness of trying to maintain high circulation bases.

**Ad Pages vs. Ad Dollars**

Divining the financial health of a magazine is challenging.

Two of the biggest owners of magazines—Hearst and Advance (the owner of Condé Nast)—are privately held companies, and as such are not required to issue public financial reports. Even the publicly traded media companies that do issue reports generally do not break out revenue figures for specific magazines.

The Publishers Information Bureau offers estimates by combining ad rates and published pages. It multiplies the ad prices magazines list on their rate cards by the number of ad pages they published. The resulting estimate is an imprecise representation of actual ad revenue because advertisers often get discounted prices from the rate card. Because of various discounts and incentives, experts say that actual revenue is often half what the reported ad dollars would suggest.

The figures for how many pages of advertising were published, on the other hand, are based on an actual count of ads in a publication.
Overview
As far back as 2004, the first year of our State of the News Media Report, Pew Research Center wrote that local news on the radio “appears to have seriously eroded in recent years” with a growing number of stations that “are not local at all.” Then in 2006 we wrote, “Technology is turning what we once thought of as radio into something broader – listening,” and raised the question of what that would mean for radio news. Now, heading into 2013, those two shifts have come together to create a very different audio landscape—one in which news is relegated to a smaller corner of the listening landscape.

In general, listening to content seems to be as popular as ever and accessible in more formats than ever. But, aside from a scattering of stations around the country devoted to all-news programming, commercial radio news is mostly relegated to top-of-the-hour news headlines produced by an outside network. News/talk/information (and the recent addition of talk personality) is still a popular category for radio, behind only country music, but our research has found that this genre is filled with more talk than news, much of it nationally syndicated. In the newer forms of listening—satellite and online-only—news is a rare component. Only 26 of the more than 1,000 satellite radio channels are categorized as news.

Financially, the picture does not bode well for traditional radio. AM/FM on-air election advertising brought in $124 million in 2012, but most other areas saw steep declines, resulting in a flat year over all. Online-only and satellite radio, on the other hand, had better years than in the past, with more positive long-term forecasts. And new legislation under consideration by Congress could be an added windfall to many online-only stations. Pandora alone could as much as double in value.

National Public Radio may have positioned itself for the digital age better than other news radio, at least in terms of finding its audience. While its radio listenership declined somewhat in 2012, new audience to the network’s mobile apps seems to be more than making up for that loss. Another public radio entity, American Public Media, gained momentum by securing a deal to distribute BBC World Service in the United States, ending a two-decade-old relationship between BBC and Public Radio International. PRI, on the other hand, was sold to Boston-based public radio station WGBH.

Audience
Over all, audio has gained traction in the U.S. as more and more ways of listening emerge and as a listening is perhaps the platform most conducive to today’s propensity towards multi-tasking. Among the choices, digital streaming seems to carry the most momentum, though traditional AM/FM still reaches far more Americans.
Gauging news listening, though, has gotten more and more complicated over the years as digital and web-based options have expanded. The AM/FM audience has been measured for more than 50 years on what is termed “cume.” It is an estimate, based on a diary system that either electronically or manually records stations listened to at any given moment. No such systems exist for online or satellite radio - and even in cume tracking the degree to which people are getting news is far from exact. And the cume data do not include people who listen to a station’s digital feed. Public radio stations release their own internally computed data on listenership.

For satellite radio, the one U.S. satellite provider, SiriusXM, publicly releases subscription figures but nothing akin to actual listenership, let alone listenership for news channels. The same is true on the web. Online-only audio providers like Pandora publish figures on users or members. Again, they do not separate out news, though there is little, if any, news in their mix.

Survey data can help establish some sense of overall audio news listening. The Pew Research Center 2012 media consumption survey suggests that even with more options out there, news listening has seen some erosion over the years. According to the survey, 33% of adults said they listened to “news radio yesterday.” That is down considerably from 43% in 2000 and 52% in 1990, but higher than the percentage of respondents who reported reading a newspaper “yesterday” (29%).

Survey data can help establish some sense of overall audio news listening. The Pew Research Center 2012 media consumption survey suggests that even with more options out there, news listening has seen some erosion over the years. According to the survey, 33% of adults said they listened to “news radio yesterday.” That is down considerably from 43% in 2000 and 52% in 1990, but higher than the percentage of respondents who reported reading a newspaper “yesterday” (29%).

Compared with other sectors, the listenership is more evenly spread out across the various age groups, according to the survey. The bulk of news listeners, 78%, fall between the ages of 30 and 49, but radio also reaches 20% of 18-to-24-year-olds, compared with just 10% of that age group who read a newspaper yesterday, and down only slightly from 22% in 2010.
The vast majority of these listeners, 87%, got their radio news through AM/FM broadcasts while just 6% listened through satellite news radio, 4% through a computer and 4% through a handheld device like a cell phone or MP3 player.

There are three main types of AM/FM news: All-news stations, news/talk stations and headline news broadcasts that air across all different station formats. (Programming from public radio affiliates and networks air on other AM/FM stations and is discussed separately below.)

The number of stations that categorize themselves as all news is small especially compared with other categories. As of December 2011, the latest data available, 37 stations called themselves all news, according to the radio ratings company Arbitron. (Categorization is up to the stations themselves.) That is up from 30 in 2009 and 27 in 2008, but only 25 of the 37 have a large enough audience to be measured by Arbitron. And, even this number inflates the percentage of Americans who could turn to them for news throughout the day. Those 25 stations can be heard in just 19 U.S. markets. Total listenership amounts to just 1.5% of Americans 12 and older.
The second news-related category, comprising news/talk/information and talk/personality, has far more stations: 4,012, according to December 2011 Arbitron data. With 12% of Americans 12 and older listening weekly, it ranks as the second most popular format behind only country music. And, people tend to listen for longer periods of time. According to Arbitron, news/talk/information and talk/personality have the longest average listening time of any radio formats they track, with the average listener tuning in for 6 hours and 45 minutes per week. That is more than double the 3 hours and 15 minute average for all-news stations.² The question is how much of that listening is to actual news reporting as opposed to talk. Past Pew Research has shown that these news talk stations are primarily talk rather than news and also now carry more and more national syndicated talk programs, removing the local component from the conversation. (For more on talk radio, see below.)

Even on these news/talk stations, then, a good deal of the news can be coming through the top-of-the-hour headlines, the third and most prevalent form of news on AM/FM, aside from public radio stations.

The two main providers of national radio headline news are CBS Radio and ABC Radio. Both companies provide two to five minutes of headlines to stations across the country that air them between regular programming like music or sports.

ABC Radio news is a division of ABC News (part of the Walt Disney Company). The reporting function of ABC News Radio is part of the larger ABC News operation. According to the Leadership Directory, ABC News Radio lists 13 full-time employees, including three correspondents and one anchor, although it has more than person reading hourly headlines. The hourly headlines run on ABC’s 1,800 member-stations around the country as well as other stations that purchase the package.

CBS Radio News is a part of the CBS Corporation and has its own reporting power separate from the rest of CBS News. According to the Leadership Directories, CBS News Radio has 23 employees spread across several operations from Weekend Roundup to the hourly radio headlines. According to the same list, there are two employees dedicated to the hourly news headlines, an executive producer and a general manager. Like ABC, CBS News runs its headlines on all of the 563 CBS-owned radio stations, plus non-CBS stations that purchase the headlines (CBS did not have a composite number for these stations). Thus,
whether you choose a sports, music or other type of radio station, there is a very good chance you are exposed to top-of-the-hour headline newscasts.

But survey data suggest there may be fewer of even these casual listeners than in the past. When people are asked about the amount of time spent listening to radio news yesterday, the greatest erosion over the last two decades has been among those who spent less than 15 minutes listening: Just 6% in 2012, down from 14% in 2000 and 22% in 1990. Other time spans that would speak more to full half hour or hour news programs have remained much more consistent through the years.

What this may reflect is fewer people getting top-of-the-hour news from music or other non-news radio stations as they turn to new digital listening options. New survey data reveal that young people who still discover songs on AM/FM radio often then abandon it for future listening.

After discovering a song on the radio (still the most popular way to find new music), nearly two-thirds of teens, 64%, head to YouTube for future listening. Just over half, 56%, continue to tune in to the radio, according to the Nielsen survey.

One of the biggest threats to AM/FM news is web-based listening, and that is where most of the growth is. Roughly 4 out of 10 people (39%) listen to online audio monthly, according to Arbitron, and 3 out of 10 people (29%) listen at least once a week.\(^3\)

**Online Car Listening through Cellphones Is on the Rise**

![Bar chart showing percentage of cellphone owners who have ever listened to online radio in a car by listening to the stream from a cellphone connected to a car stereo.](chart)

While many AM/FM stations now stream their programming over the web, online-only options are drawing in a greater portion of the audience. In 2006, listenership to AM/FM streaming and online-only was about equal, according to Arbitron (46% and 48%, respectively, listened monthly). But, by 2011, AM/FM streaming had declined to 40% while online-only listening had risen to 57%.
Another listening option, satellite radio, continues to grow audience as well. SiriusXM, the sole satellite radio company in the U.S., attracted 2 million net new subscribers in 2012 to reach 23.9 million, an increase of 9%, its biggest yearly growth ever, according to the company. This increase includes nearly 1.7 million self-pay net new subscribers for the year (a certain percentage of the others may come through cars or devices that come equipped with the service for a specified period of time). Those figures calculate out to roughly 7% of the U.S. population, very close to the survey data results. News programming is clearly less present on SiriusXM than on AM/FM. Of the 1,000 total channels offered on SiriusXM, 26 fall in the category of “news and issues.” These include CNBC, BBC World Service, Bloomberg Radio, as well as eight regional news channels.

In addition to the specific news channels on satellite, ABC, CBS and CNN Radio produce news headlines that they air on their channels as well as other channels that pay for the service. (CNN’s headline service is primarily for its own satellite channels.) The challenge here for news is that satellite channels function more like cable television channels—built around a certain niche audience or subject area. Because satellite does not operate on public airways, there are no federal regulations requiring a certain amount of community-based programming. That means less incentive for non-news based satellite stations to pay for top-of-the-hour news headlines. Station owners may also feel that headline programming would not be serving their paying audiences what they want most from that station.

At the end of 2012, SiriusXM went beyond just satellite, launching in December a personalized online radio service. It is too early to assess results, but the move came despite the warning from its former chief executive, Mel Karmazin, who called ad-supported internet radio “a race to the bottom in terms of business model” for the industry.

On Brink of Change, SiriusXM Attracts Record Number of Subscribers

In Millions of Subscribers

<table>
<thead>
<tr>
<th>Year</th>
<th>Subscribers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>18.8</td>
</tr>
<tr>
<td>2010</td>
<td>20.2</td>
</tr>
<tr>
<td>2011</td>
<td>21.9</td>
</tr>
<tr>
<td>2012</td>
<td>23.9</td>
</tr>
</tbody>
</table>

Source: SiriusXM
PEW RESEARCH CENTER
2013 STATE OF THE NEWS MEDIA
HD Radio

While new digital options grew audience, AM/FM’s beleaguered attempt to draw people back to radio through HD did worse than ever. For the first time since 2004, when HD radio receivers became available for retail sale, more radio stations dropped their HD signal than adopted the technology. By December 2012, 2,048 radio stations were broadcasting an HD signal, down from 2,103 during the same period in 2011, according to BIA Financial Network data and analysis from the Project for Excellence in Journalism. HD failed to both entice AM/FM listeners to pay up rather than continue listening for free and to draw those willing to pay away from satellite.

Number of Stations Dropping HD Outnumber Those Adopting It in 2012

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Signs on the consumer side do not look promising either. Since 2008, the price of an HD signal receiver dropped from nearly $100 to about $50. In response, developer iBiquity began pushing car manufacturers to include factory-installed HD receivers in their newer models. So far, nearly 30 car models carry this feature. But this still trails car models that come equipped with factory-installed, in-car apps, such as Pandora. Heading into 2013, nearly 20 car manufacturers come with the installed app.

Podcasting

Podcast listening has grown considerably in the last two years, although it still reaches only a minority of Americans. According to Pew Research survey data from summer 2012, some 18% of U.S. adults listen to a news podcast downloaded to their computer, tablet, cellphone or MP3 player at least sometimes. That is twice the number of people who said they listened to news podcasts at least sometimes in 2010. Awareness, though, seems to have mostly leveled off. In 2012, about 46% of the U.S. population age 12 or older had heard of podcasting. That is up one percentage point from 2011.
Much like podcast awareness, the number of podcasts produced has seen virtually no growth in recent years, and 2012 was no exception, according to PodcastAlley.com. There were 91,700 podcasts in December 2012, a gain of less than one percentage point from 91,600 over the month in the previous year. However, that still amounts to 31% more podcasts than were produced in 2009.

**Changes in the Measurement System**

Even as getting a sense of total audio listening gets harder, changes are occurring within the central measurement firm. For decades, the radio ratings firm Arbitron was pretty much the sole provider of audio metrics. But, in mid-December, Nielsen, the television ratings company, announced that it would buy the company for $1.3 billion. This announcement came less than one week after Arbitron said that Sean R. Creamer would replace William T. Kerr as Arbitron’s CEO, effective Jan. 1, 2013.

For Nielsen, the acquisition added another medium - radio - about which it then can collect and sell ratings data. Nielsen expressed interest in Arbitron’s ability to measure and to study the use of streaming audio, out-of-home listening and multicultural audiences. A timetable for the deal’s closure remains unclear because the merger must undergo regulatory review by the Department of Justice.

Nielsen is taking over amid challenge and change for the metrics company as the need to provide cross-platform measures becomes more critical. Arbitron, under pressure from the industry, had already begun to address these challenges. In September, Arbitron and comScore, an online metrics company that competes with Nielsen, launched an initiative with ESPN XP to try to capture cross-platform audiences, such as those that go to a particular outlet on more than one device, such as television and smartphone.

ESPN XP’s appeal is its distribution across a wide swatch of platforms: television, AM/FM radio, digital audio, browser-based content and mobile apps. The audience is to be tracked across platform through an
enhanced portable people meter device (devices that electronically track listener behavior). ComScore will track browser-based and apps-based activity. If successful, the companies plan to broaden the system to other providers.

If history is an example, the industry will be closely watching Nielsen’s approach to this experiment. The portable people meter, launched by Arbitron in 2007 to more accurately track audience behavior, met early resistance.

Indeed, the portable people meter is not yet fully accepted by the industry. California and the cities of Los Angeles and San Francisco filed lawsuits against Arbitron, alleging that the ratings company did not fairly distribute its portable people meters, thereby undercounting minority groups, which in turn understated Latino and black stations’ ratings.15

The company had relied on landline phone numbers to recruit people meter households despite the growing number of people owning cellphones only. It was not until March 2012 that the two sides reached a settlement in which Arbitron pledged to find a more equitable way to select individuals to be monitored with people meters.

Revenue
Presidential election-year advertising dollars kept the AM/FM industry above water in 2012. But this heavy reliance on election spending does not bode well for its overall financial health. News station revenues are not broken out separately, but the total figure speaks to the health of the industry.

In 2012, total radio revenue in spot, digital and off-air advertising together amounted to $16.5 billion, an increase of 1% over 2011.16

But, even that small gain is deceiving. Spot advertising, which makes up most of overall audio advertising and includes campaign ad buys, held steady at $14.2 billion in 2012, compared with the previous year, according to the Radio Advertising Bureau. This is despite a six-fold jump in political election ad spending over 2011. What that means is that advertising spending from regular radio sectors like communications, financial services, insurance and restaurant industries fell by 6% to 13% by late 2012, compared with the same time period in 2011.

Digital revenues remain the smallest category, but, as in 2011, grew the most, increasing by 8% over the previous year.

<table>
<thead>
<tr>
<th>Overall Radio Revenue Inched Upward in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Millions of Dollars</td>
</tr>
<tr>
<td>------------------------</td>
</tr>
<tr>
<td>Spot</td>
</tr>
<tr>
<td>Digital</td>
</tr>
<tr>
<td>Off-Air</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Radio Advertising Bureau
FEIW RESEARCH CENTER
2013 STATE OF THE NEWS MEDIA
Longer-term forecasting recognizes the greater reliance broadcast radio may have on election spending. The investment firm Veronis Suhler Stevenson’s projections for broadcast radio form a series of peaks on election years and troughs during non-election years, resembling the revenue pattern that has emerged within local television news. The forecast for satellite and online-only revenues is more steady growth, resulting in small gains for the industry year over year.

**Online and Mobile Radio Projected to See Steadiest Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>Broadcast Radio (in Millions of Dollars)</th>
<th>Satellite Radio (in Millions of Dollars)</th>
<th>Online and Mobile (in Millions of Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>15,603</td>
<td>2,844</td>
<td>732</td>
</tr>
<tr>
<td>2013</td>
<td>15,462</td>
<td>2,971</td>
<td>905</td>
</tr>
<tr>
<td>2014</td>
<td>16,022</td>
<td>3,039</td>
<td>1,119</td>
</tr>
<tr>
<td>2015</td>
<td>15,869</td>
<td>3,050</td>
<td>1,370</td>
</tr>
<tr>
<td>2016</td>
<td>16,487</td>
<td>3,024</td>
<td>1,666</td>
</tr>
</tbody>
</table>


The improved financial picture for Pandora, one of the largest digital-only audio providers, speaks to the future potential here. After being on the brink of shutting its doors in 2008, Pandora has a brighter future and the company is investing in new technologies for mobile and in-car use.

Pandora hit 150 million registered users in 2012, a full 50% increase over its 100 million in 2011. A smaller number, 59.9 million, are active (meaning they listen at least monthly), up from 30 million active users in January 2011 when Pandora prepared to submit its initial public offering later that year. Much of this comes from a rise in mobile use. Fully 70% of all listening hours are on mobile devices among Pandora’s users, according to Pandora’s metrics.¹⁷

To enhance mobility for the user experience, Pandora also made a major push to have its app come pre-installed in more than 50 car models by the end of 2012, riding on the idea, according to Tom Conrad, chief technology officer for Pandora, that people would be more prone to listening to Pandora if it goes with them where they go. According to Conrad, Pandora’s goal is to “try to reinvent the radio itself.”¹⁸
The digital music company has also made a push at the local level. In June, it established local advertising sales staffs in cities to compete directly with local AM/FM stations - a $14 billion market. Another major online audio provider, the European-based Spotify, also had a strong 2012. After making its U.S. debut in July 2011, the company doubled its number of active users, as of December. However, Spotify remains with one-third of the number of Pandora’s active users. In December, Spotify reported 20 million active users, while Pandora said it had 59.9 million active users.

The single satellite radio company, SiriusXM, ended the year on a strong note but carries a certain amount of uncertainty heading into 2013 with the departure of its longtime chief executive, Mel Karmazin. Karmazin had led Sirius since 2004, guiding it through its 2008 merger with XM Radio. SiriusXM’s president of sales and operations, James E. Meyer, was named the company’s interim chief executive.

Karmazin reportedly clashed with John Malone, chairman of the giant Liberty Media, which holds a 48% stake in SiriusXM. In 2009, Liberty saved SiriusXM from bankruptcy by offering a $530 million loan. Since then, it has continued to buy larger shares of SiriusXM stock and in August it asked that the Federal Communications Commission permit Liberty to purchase a greater, controlling stake. If granted, Malone said, he intends to spin off SiriusXM into a publicly held company.

In broadcast radio, the largest company by far, Clear Channel Communications, which owns 850 stations in 150 cities, reported a mixed year for 2012. Through September 2012, the company reported revenues of nearly $1.6 billion, showing little growth over the same time period in 2011 when it reported $1.58 billion.

The company saw some success in the heavy promotion its digital audio app, iHeartRadio. That audience is steadily growing, though it still accounts for just 5% of its total listening. Earning money from it, however, has proved more challenging. While iHeartRadio managed to catch advertiser interest, the cost of online audio content offsets these gains. Most of these costs are in the form of royalty fees that online providers have lobbied heavily against through a proposed measure called the Internet Radio Fairness Act.

Elsewhere in the company, a round of nationwide layoffs at all levels of Clear Channel’s station operations began in early December. The company did not make public how many people lost their jobs, but speculation is that Clear Channel is taking steps to try to refinance $10 billion in debt that is due in to be paid off in 2016. The second largest radio station operator in the U.S., Cumulus Media, is still saddled with debt following a large merger and the subsequent sell-off of stations. In September 2011, the Department of Justice and Federal Communications Commission approved Cumulus’s merger with Citadel Broadcasting. As a part of the deal, Cumulus paid Citadel $2.5 billion, and the purchase left Cumulus heavily in debt. In an attempt to shed some of that debt, Cumulus sold off 55 stations to Townsquare Media for $116 million in April 2012, leaving it with 525 stations in 110 cities.
This did not seem to solve its problems though as the investment advisory firm Moody’s gave it a negative rating in November.

**Internet Radio Fairness Act of 2012**

The Internet Radio Fairness Act, introduced in 2012, is one more volley in the fight putting online audio service providers like Pandora, Spotify and Last.fm against the recording industry about how much the providers pay for the music they play. The measure did not make it to the floor of Congress in 2012, but is expected to be reintroduced sometime in the Congress that convened in 2013.

There are two issues at hand. One is the battle among the various audio providers like AM/FM, digital-only and satellite. The second is between providers (especially digital) and artists. Since the 1940s, terrestrial radio companies have not paid any royalties from revenue to artists (or record companies) for songs played on AM/FM radio. This has carried through to the stations’ online streaming. Digital-only audio services, however, spend as much as 60% of their revenue on sound recording royalties while satellite radio providers pay out 8% of their gross revenue.

The act is designed to set equal royalty rates for music, regardless of the delivery method or the provider. Online audio providers have been rallying around this act, while both the recording industry and AM/FM providers have opposed it. If it were to pass, Pandora’s stock value alone could double because investors would see it as more stable business model.

**NPR**

In last year’s State of the News Media report, Pew Research Center concluded NPR’s section with: “If NPR can attract new audiences to its projects across nontraditional platforms and continue to get funding to cover associated start-up costs, it could make up for the loss of terrestrial listeners.”

Evidence suggests that in 2012, with a new leader at the helm, the news network took several steps in the right direction.

On the terrestrial radio side, NPR continued to lose audience in 2012. The number of average weekly listeners to NPR programming and newscasts fell for the second year in a row to 26 million people. That is down 3% from 26.8 million in 2011. Audience to its website also declined, for the first time ever. The number of unique visitors going to NPR.org each month dropped to an average of 16.1 million, a loss of
about 1.6 million visitors, or 9%, since 2011.³¹

**NPR Lost On-Air Listeners Again in 2012**

At least some of that loss, though, may well be due to development and promotion of NPR news apps. In addition to website visits, NPR news apps averaged 3.4 million visits per month in 2012. That puts the total digital audience at 19.2 million. What’s more, a good deal of the mobile app audience was new in 2012. The NPR iPhone app saw nearly 859,000 new downloads in 2012, according to NPR’s internal data, and 9.9 million upgrades. In addition, the newer iPad app received 643,000 new downloads as well as more than 265,000 upgrades. The Android app, more recently available, had the greatest number of new installs in 2012: over 1.7 million. That comes to more than 13 million downloaded apps across the three kinds of mobile devices.

### NPR’s App Downloads Increased in 2012

<table>
<thead>
<tr>
<th>App Type</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>iPad News App</td>
<td></td>
</tr>
<tr>
<td>New downloads</td>
<td>643,213</td>
</tr>
<tr>
<td>Upgrade downloads</td>
<td>265,127</td>
</tr>
<tr>
<td>iPhone/iPod News App</td>
<td></td>
</tr>
<tr>
<td>New downloads</td>
<td>858,526</td>
</tr>
<tr>
<td>Upgrade downloads</td>
<td>9,924,542</td>
</tr>
<tr>
<td>Android News App</td>
<td></td>
</tr>
<tr>
<td>User Installs</td>
<td>1,785,272</td>
</tr>
</tbody>
</table>

NPR’s internal tests suggest strong opportunity in the mobile app realm. In a test group of 20 member stations, audiences that were offered live streaming through mobile apps grew at three times the rate of
those offered only desktop/laptop listening options while on their mobile devices (8% growth versus 2% growth). This experiment indicated that interface makes a difference for listener engagement.\textsuperscript{32}

And, despite a plateau in overall podcast listening in the industry, NPR continued to grow its podcast audience to an average of 29.3 million monthly downloads in 2012, compared with 28 million in 2011 and 23.3 million in 2010.

The audience data suggest that NPR’s investment in moving beyond radio broadcast is paying off. Among the new investments in 2012 was the creation of a special news app team aimed at generating more interactive and data-oriented components to NPR reports. The network also created a separate app for its featured Planet Money program that allows users to not only listen or read individual episodes but also to easily share the episodes on their social media channels.

Early in 2012, the network moved into a new area of development: enhanced car listening. In January 2012 NPR debuted its Connected Cars platform for cars that come equipped with internet access.\textsuperscript{33}

The platform is aimed at keeping this core drive-time audience amid newer competition from internet-based audio.

The network also dedicated more resources, partly funded by the Knight Foundation, to helping member organizations strengthen their digital offerings and generate revenue streams. The total number of member stations increased slightly in 2012, up to 270 from 268 in 2011. The number of stations that those organizations manage also grew, to 822, more than the 789 in the previous year. Over all, 975 stations aired NPR programming and newscasts. (Not all of these stations are run by member organizations.)\textsuperscript{34}

A downturn in corporate sponsorship in 2012 forced NPR’s budget to take a hit for the year, marking the fifth straight year that the organization ran a budget deficit.\textsuperscript{35}

Revenues were up slightly year over year but fell $9.6 million short of the budgetary goal, according to NPR’s internal accounting. Spending cuts of $4.5 million helped offset the shortfall, but still left an operational deficit of $5.2 million.

While NPR had no plans to cut staff or programs, its chief executive, Gary Knell, said the organization planned to “try very hard to grow that revenue pie.” To help lead fundraising efforts, NPR in August 2012 hired Monique Hanson, who had worked at the YMCA of the USA, as the organization’s chief development officer.

On the cost-cutting side, in what Knell described as “an economic decision by both parties,”\textsuperscript{36}

NPR cut its SiriusXM satellite radio programming in half, instead encouraging listeners to listen through NPR apps.

On the programming side, NPR began co-producing the TED Radio Hour with TED in late April. The series explores a different topic each week, including how to build a better classroom, the future of city planning and where ideas come from. One loss the network will need to contend with is the end of Car
Talk, the popular 25-year-old program hosted by brothers Tom and Ray Magliozzi who took calls and offered quirky car repair advice and helpful, and often humorous, insights every week.\textsuperscript{37}

**Public Radio International**

Elsewhere in the realm of non-commercial radio, the Minneapolis-based Public Radio International had a challenging year.

In July, PRI lost its 26-year distribution relationship with BBC World Service when the British broadcaster took its programming to American Public Media.\textsuperscript{38} Later that same month, Boston-based public radio outlet WGBH acquired PRI in a deal that allowed PRI to operate independently but as a WGBH affiliate.\textsuperscript{39} The deal allows WGBH, the largest content producer for PBS television, to co-produce and cross-promote content with the public radio entity, according to Julia Yager, vice president for brand management and marketing strategy at PRI.\textsuperscript{40}

PRI’s distribution structure is very different from NPR’s. Rather than having a regular -network of member stations and affiliates as NPR has, PRI distributes content created by station-based producers and independent producers. PRI has no member stations. Stations that want the content pay an affiliation fee to receive that content. In 2012, those fees increased for PRI’s 883 affiliated stations over what they paid in 2011, according to Yager.\textsuperscript{41}

Other revenue sources include sponsorships, philanthropic giving and a handful of grants from the National Endowments for the Arts and the Corporation for Public Broadcasting that are attached to specific projects.

Prior to losing BBC World Service and reaching its deal with WGBH, PRI reported a drop in audience when it stopped distributing The Changing World, as well as when an unnamed partner changed frequencies that content was used, Yager said. It has not yet been made public how the loss of BBC World Service, which was broadcast by more than 500 local public radio stations,\textsuperscript{42} has affected PRI’s audience size.
Furthermore, PRI felt the squeeze of a struggling economy. The organization ran at a deficit in fiscal year 2011 (PRI’s fiscal calendar runs from July 1 to June 30), partly tied to a slump in foundation funding, according to Yager. The financials stabilized somewhat in FY 2012.

Despite the fact that PRI was relatively stable, according to Yager, it still ran at a deficit in FY 2012. Revenue amounted to $19.8 million while expenses added up to $21.7 million.43

Looking to the future, PRI hopes that its affiliation with WGBH will give both stations and audiences what they want. “When we thought about coming together with WGBH, the purpose was ‘how do we create more content in a more cost-effective way,’ ” Yager said.

**American Public Media**

American Public Media saw average weekly listeners taper off slightly in 2012, but a new distribution deal with BBC World Service promises to boost those numbers by millions this year. Meanwhile, the organization also plans to expand its mobile offerings.

The number of people who weekly listen to APM programming and newscasts dipped slightly to 15.2 million in fiscal 2012 (APM’s fiscal calendar runs July 1 to June 30), down 2 percentage points from 2011. As of August 2012, though, the organization could draw an estimated 1.3 million to 1.8 million new average weekly listeners, thanks to a deal announced in July. American Public Media secured a deal to distribute BBC World Service in the United States, ending a long relationship between the BBC and Public Radio International.

The organization airs programs that it produces or distributes from 250 affiliated stations or station networks, and last year 807 stations aired APM content, including those not managed by APM.
APM also took strategic steps to enhance its digital footprint through developing mobile apps and social media. The work is paying off, according to Jen Keavy, communications manager at APM and Minnesota Public Radio. In 2012, mobile traffic doubled over the previous year to nearly 271,000 average monthly visits, and a growing percentage of APM’s audience is streaming audio and using mobile devices to listen to the organization’s content. One station among APM’s affiliates, Southern California Public Radio, saw a jump in mobile device traffic to nearly 25% in 2012 from 10% in the previous year after investing in improvements to its website for mobile access.

**Talk Radio**

Conservative talk radio host Rush Limbaugh remained at the top of talk radio, despite seeing his first dip in ratings in three years. Limbaugh’s audience numbers dipped slightly to 14.75 million in 2012, down from 15 million weekly listeners in 2011 and 2010.

Fellow conservative radio host and Fox News personality Sean Hannity held onto his 14 million weekly listeners, the same as he had in 2010 and 2011. Michael Savage rounded out the top three talk radio voices on the U.S. airwaves with 8.75 million. In fact, 2012 held promise for Savage to get even more listeners in the coming years after he left Talk Radio Network and signed on with Cumulus in October.

Even beyond these top three, conservative talkers dominate the top audience draws. Indeed, the first liberal host does not appear until the eighth spot with Alan Colmes and his 3.25 million listeners, where he is tied with other conservative voices.

<table>
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<td>Jerry Doyle</td>
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</tbody>
</table>

Source: Talkers Magazine

It is unclear if Limbaugh’s dip in weekly listeners was tied to his crude March 2012 comments about Susan Fluke, a Georgetown University Law Center student who testified before a congressional committee in support of covering contraception as part of President Obama’s healthcare insurance plan. Some advertisers boycotted Limbaugh’s syndicated show, but the story soon faded from the news agenda and for much of 2012 the boycott was judged to be unsuccessful in financially damaging Limbaugh’s show or Clear Channel.
Roughly one out of six people tune in to hear Limbaugh at least sometimes (16%), roughly half as many people who listen to NPR as often. This is down slightly from 18% reported in 2010, according to the Pew Research Center.

In broad terms, more people are turning to talk radio. Major radio companies are able to buy more stations in a single market due to deregulation. At the same time, more stations are switching from music to talk, a relatively cheaper format.48

Continue reading: “Audio: By the Numbers.”

Endnotes

1. Stations decide for themselves the category of their programming. There are no official rules or requirements that need to be met.


17. In the absence of Arbitron’s development of standard metric that could measure both digital and AM/FM audiences, Pandora partnered with Triton Digital in May 2012.


31. NPR provides Pew Research Center with internal data on audience, staffing and financial information. Audience averaged from October to December 2012.


34. NPR provides Pew Research Center with internal data on audience, staffing and financial information.


43. Public Radio International provided Pew Research Center with internal data.

44. American Public Media provides Pew Research Center with internal audience and financial figures.


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**Audio Glossary**

**HD Radio**

HD radio stations transmit a digital signal, rather than an analog AM or FM signal as traditional radio has used for decades. Digital has some benefits over analog. Stations can transmit their signals farther (that is not often true) and the signal will be clearer (“CD-quality sound”) to those equipped with an HD receiver. Stations can “multicast” their programs. This means that they can transmit more than one channel at a time and thus tailor content more specifically for each channel.

HD Radio is a proprietary technology developed by iBiquity. The “HD” does not stand for “high definition” as it is merely a brand name.

**Podcasts**

A podcast is an audio program that listeners can download to portable devices or their computers. Internet makes tracking podcasts very difficult. Several companies try, and we rely on podcastalley.com,
the largest of them, for our data. The figures cited may not be comprehensive but still offer a glimpse of trends.

**Satellite Radio**
This system transmits audio with orbiting communication satellites rather than ground-based transmission, which provides some benefits. While broadcast radio has a limited range, satellite signals can be received anywhere in the country and the signals are less prone to static. A downside is that satellite radio reception is affected by weather or physical obstacles more than terrestrial broadcast radio. Listeners of satellite radio must, like cable TV viewers, pay a monthly fee.

**Internet Radio**
This is a term used to describe two types of audio accessed over the Internet. One is broadcast (or satellite) radio stations streaming their broadcasts online. The other is “pure play” Internet, such as Pandora. These services are available only over the Internet. Internet radio has also become a part of mobile radio. However, PEJ makes a distinction between “cellphone radio” and internet radio picked up by mobile devices. Because so many mobile phones now have ready access to the Internet, internet audio services have become a major problem for proponents of cellphone radio (below).

**Cellphone Radio**
These are cellphones that pick up AM/FM and HD radio stations. As of 2009, most cellphones did not yet have this capability.

**Portable People Meter**
This is a portable, audience research device launched in 2008 by Arbitron. It is worn by survey participants and it tracks all radio signals that they have contact with. If they are near a radio, the device will pick up the station’s identity, the time and date. The people meter does not distinguish between active listening and background signals the may come close to the wearer, such as at a supermarket.

Controversy over Arbitron’s people meter methodology generated a number of lawsuits, most of them claiming the system underrepresented ethnic minority audiences. All of the suits were settled or dismissed in early 2009. (For more on the controversy, see the 2009 report).

**Arbitron**
Arbitron is a radio ratings company founded in 1949, which in recent decades has been the dominant radio ratings provider. Until 2008, Arbitron’s ratings were compiled using a written diary system in which participants wrote down what station they listened to and for how long. In 2008, Arbitron began the transition to a digital collection system, the portable people meter above.

**Nielsen**
Nielsen is a media ratings company that has long been the major provider of television network and station ratings. Nielsen stopped measuring radio in 1964, but in 2009 began measuring small- and medium-sized radio markets.
Audio: By the Numbers

By Laura Santhanam, Amy Mitchell and Kenny Olmstead of the Pew Research Center

“By the Numbers” houses a comprehensive set of charts and tables telling the story of each media sector. For a narrative summary, visit the corresponding essay.

Audience

The percentage of people who listen to the AM/FM radio each week remained essentially unchanged in 2012, compared with figures from a decade earlier. ¹ In 2012, 92% of Americans age 12 or older listened to the radio at least weekly, essentially the same as it was a decade earlier (94%).

![Bar chart: Most Americans Still Listen to Some AM/FM Radio](chart)

Gauging the percentage of Americans who get some form of audio-based news is more challenging, especially when considering new forms of audio like satellite and online streaming. Survey data can help. The Pew Research Center finds one-third of adults report having listened to “news radio yesterday.” That is down considerably from 43% in 2000 and 52% in 1990, but higher than the percentage of respondents who reported having read a newspaper “yesterday.”

SEE FULL DATA SET
Radio news listenership is distributed more evenly across age groups than reading a newspaper. For example, radio news has held on to 20% of 18-24 year olds - compared with just 10% of that age group who read a newspaper yesterday.

There are three main forms of commercial AM/FM radio news: All-news stations, news/talk stations and headline news that air across all different station formats. The number of stations that categorize
themselves as all news is small. Nationwide, total all-news listenership amounts to just 1.5% of Americans 12 and older.

The second news-related category, comprising news/talk/information and talk/personality, has far more stations: 4,012 in all, according to December 2011 Arbitron data. With 12% of Americans 12 and older listening weekly, it ranks as the second most popular format behind only country music.

The two main providers of national radio headline news are CBS and ABC. Both companies provide 2 to 5 minute of headline news to stations across the country that broadcast the service between regular programming like music or sports. There is no solid number of the total number of stations that carry these headlines, though between the two of them, there are more than 2,000 member stations.

One of the biggest threats to AM/FM news is web-based listening, and that is where most of the growth is. Roughly 4 out of 10 people (39%) listen to online audio monthly, according to Arbitron, and 3 out of 10 people (29%) listen at least once a week. Listeners there are not necessarily bound to hearing regular news as they would be on terrestrial radio.
Fully 17% of cellphone owners have streamed online radio from their devices through their car stereos, according to January-February 2012 data from Arbitron. This is up by more than a third since 2011 when 11% of cellphone owners had done so and nearly triples the 6% who had streamed audio this way in 2010.  

**Online Car Listening through Cellphones Is on the Rise**

Percentage of Cellphone Owners Who Have Ever Listened to Online Radio in a Car by Listening to the Stream from a Cellphone Connected to a Car Stereo

Source: Arbitron
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Satellite Radio

SiriusXM, the only satellite radio provider in the U.S., sat on the brink of major change as 2012 came to a close. Its chief executive, Mel Karmazin, resigned while media conglomerate Liberty Media sought a greater controlling stake in the company in a series of moves that many analysts see as building up toward running SiriusXM.

On Brink of Change, SiriusXM Attracts Record Number of Subscribers

In Millions of Subscribers

<table>
<thead>
<tr>
<th>Year</th>
<th>Subscribers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>18.8</td>
</tr>
<tr>
<td>2010</td>
<td>20.2</td>
</tr>
<tr>
<td>2011</td>
<td>21.9</td>
</tr>
<tr>
<td>2012</td>
<td>23.9</td>
</tr>
</tbody>
</table>

Source: SiriusXM
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SEE FULL DATA SET

While new digital options grew audience, AM/FM’s beleaguered attempt to draw people back to radio through HD did worse than ever. For the first time since 2004, when HD radio receivers became available for retail sale, more radio stations dropped their HD signal than adopted the technology.
Podcast listening has grown considerably in the last two years, though it still only hits a minority of Americans. According to Pew Research survey data from summer 2012, 18% of U.S. adults listened to a news podcast downloaded to their computer, tablet, cellphone or mp3 player at least sometimes, twice that of 2010.

Nearly 1 Out of 5 U.S. Adults Listens to News Podcasts at Least Sometimes

Awareness, though, seems to have mostly leveled off. In 2012, some 46% of the U.S. population age 12 or older had heard of podcasting. That is up one percentage point from 2011.
Much like podcast awareness, the number of podcasts produced has seen virtually no growth in recent years, and 2012 was no exception, according to PodcastAlley.com. There were 91,700 podcasts in December 2012, a gain of less than one percentage point from 91,600 the previous year.

While awareness appears to have hit a plateau, news podcasts continue to reach a significant and growing share of listeners.
Election year advertising dollars kept the AM/FM industry above water in 2012. But this heavy reliance on election spending does not bode well for its overall financial health because major elections do not occur every year. News station revenues are not broken out separately, but the total figure speaks to the health of the industry. In 2012, radio revenue in spot, digital and off-air advertising together amounted to $16.5 billion, or an increase of only 1% over 2011.6

<table>
<thead>
<tr>
<th>Overall Radio Revenue Inched Upward in 2012</th>
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<tbody>
<tr>
<td><strong>In Millions of Dollars</strong></td>
</tr>
<tr>
<td><strong>Dollars Spent</strong></td>
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<tr>
<td>Spot</td>
</tr>
<tr>
<td>Digital</td>
</tr>
<tr>
<td>Off-Air</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Radio Advertising Bureau
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Longer-term forecasting recognizes the greater reliance broadcast radio may have on election spending. The investment and market research firm Veronis Suhler Stevenson’s projections for broadcast radio form a series of peaks on election years and troughs during non-election years, resembling the revenue pattern that has emerged in local television news.

Online and Mobile Radio Projected to See Steadiest Growth

<table>
<thead>
<tr>
<th>In Millions of Dollars</th>
<th>Broadcast Radio</th>
<th>Satellite Radio</th>
<th>Online and Mobile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$732</td>
<td>2,844</td>
<td>15,603</td>
</tr>
<tr>
<td>2013</td>
<td>905</td>
<td>2,971</td>
<td>15,462</td>
</tr>
<tr>
<td>2014</td>
<td>1,119</td>
<td>3,039</td>
<td>16,022</td>
</tr>
<tr>
<td>2015</td>
<td>1,370</td>
<td>3,050</td>
<td>15,869</td>
</tr>
<tr>
<td>2016</td>
<td>1,666</td>
<td>3,024</td>
<td>16,487</td>
</tr>
</tbody>
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The improved financial picture for Pandora, one of the largest digital-only audio providers, speaks to the future potential here. After being on the brink of shutting its doors in 2008, Pandora hit 150 million registered users in 2012, a full 50% increase over 100 million in 2011. A smaller number, 59.9 million, are active (meaning they listen at least monthly), up from 30 million active users in January 2011 when Pandora prepared to submit its initial public offering later that year.

Public Radio

NPR continued to lose terrestrial audience in 2012. The number of average weekly listeners to NPR programming and newscasts fell for the second year in a row to 26 million people. That was down 3% from 26.8 million in 2011.
The organization also lost website traffic. The number of unique visitors going to NPR.org each month dropped to an average of 16.1 million, a loss of about 1.6 million visitors, or 9%, since 2011.\(^7\)

Some of that loss, though, may be due to development and promotion of NPR news apps. In addition to website visits, NPR news apps averaged 3.4 million visits per month in 2012. That puts the total digital audience at 19.2 million. What’s more, a good deal of the mobile app audience was new in 2012.

Public Radio International underwent a challenging year in 2012. In July, PRI lost its 26-year distribution relationship with BBC World Service when the British broadcaster took its programming to American Public Media.\(^8\) Later that same month, Boston-based public media outlet WGBH acquired PRI in a deal that allowed PRI to operate independently but as a WGBH affiliate.\(^9\) Prior to losing BBC World Service and its deal with WGBH, PRI reported a drop in audience. It has not made public how the loss of BBC World Service affected its audience reach.
Talk Radio

Conservative talk radio host Rush Limbaugh remained at the top of talk radio, despite seeing his first significant dip in ratings in three years. His audience numbers dipped to 14.75 million weekly listeners in 2012, down from 15 million in 2011 and 2010.10

Fellow conservative radio host and Fox News personality Sean Hannity held onto his 14 million weekly listeners, the same as he had in 2010 and 2011. Michael Savage rounded out the top three conservative talk radio voices on the U.S. airwaves at 8.75 million. In fact, 2012 held promise for Savage to get even more listeners in the coming years after he left Talk Radio Network and signed on with Cumulus in October.

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Source: Talkers Magazine

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7. NPR provides Pew Research Center with internal data on audience, staffing and financial information. Audience averaged from October to December 2012.


This report examines news sources aimed at a black audience. Some of these outlets are no longer (or never were) owned by African Americans, such as The Root (owned by The Washington Post), Black Entertainment Television (owned by Viacom), Essence magazine (owned by Time Inc.), and more. The report also includes some data on broad news consumption trends among the African American population.

The story about how African American-oriented news media coped last year was a difficult one at best. In the newspaper sector, many historic African American publications both lost circulation and struggled to find advertising revenue. The Chicago Defender, for example, declined in circulation and laid off two editors because of reduced advertising.

On television, a platform African Americans turn to for news at even greater rates than Americans overall, news continues to fight for a place in African American programming.

While several new channels geared toward African Americans emerged in 2012, only one of them planned any news content. Still, BET, the most popular channel geared toward a black audience, gave a news talk show yet another try and TV One, another channel aimed at African Americans, partnered with NBC in coverage of the 2012 presidential election.

In radio, African American voices became even scarcer in 2012. Black-owned radio stations continued to wither in number and several programs hosted by major African American personalities went off the air. The year also witnessed the consolidation of two of the largest black radio networks.

As traditional media become more difficult to maintain, the digital world offered some hope. African American-oriented websites continue to develop, and survey data suggest, moreover, that African Americans are more likely than web users overall to access social media tools such as Twitter and Facebook.

The handful of African American magazines that carry at least some news had different stories to tell in 2012. One of the most popular, Ebony, enjoyed a solid rebound after years of decreasing circulation, but other magazines did not fare nearly as well.

One of the broader challenges for African-American news media in general, and most notably the newspaper sector, is striking a balance between appealing to a younger generation with a contemporary product and fulfilling a mission to honor a history that includes the defining civil rights struggle of a half-century ago.
“History has got to be a definitive weave in what we do,” said John J. (Jake) Oliver Jr., the publisher and chief executive of the Afro-American newspapers in Baltimore and Washington, D.C. “We’ve got to redefine our personality from just a straight delivery of community news to helping people really educate themselves.”

Newspapers

In many ways, maintaining an African American newspaper is more challenging than ever - and not just because of tough financial times. “There are a lot of barriers these days to black newspapers surviving and being successful,” said Dr. Clint C. Wilson, a professor of journalism at Howard University’s School of Communications.

One of these barriers, according to Wilson, came as a result of desegregation when African Americans dispersed more broadly, making it more difficult to distribute newspapers.

Despite the challenges, most African American newspapers have managed to hold on. The largest black press association, the National Newspaper Publishers Association, lists more than 200 newspapers in its member list, most of which are weeklies. This report examines some of the larger black newspapers in the U.S. for which reliable data are available, including The Afro-American newspapers, The New York Amsterdam News, The Philadelphia Tribune and The Chicago Defender.

Newspaper Circulation

Only one of the African American newspapers examined, The New York Amsterdam News, grew circulation in 2012. The paper, founded in 1909, had an average circulation of 14,042, an 11% increase in circulation for the six months ending September 2012 compared to the same period the year before - but that increase includes the distribution of educational copies through the Newspapers in Education program, which puts newspapers in the hands of schoolchildren and was not included in 2011’s count.

(Circulation figures, as measured by the Alliance for Audited Media for these newspapers has included both paper and e-edition circulation since at least 2009.)

For the six months ending in September 2012, educational copies totaling 2,901 were distributed, more than 20% of the total average circulation. Sponsors cover the costs of the educational copies, so they do bring in revenue. The Amsterdam News is also trying out another new distribution model.

“We’re trying to expand in neighborhoods that we’re already in and to some new communities as well,” said Elinor Tatum, the publisher and editor-in-chief of the paper. The paper has extended its reach to an area that extends from Albany, N.Y., to Southern New Jersey and is creating new hubs to assist the
broader distribution area.\textsuperscript{6}

\begin{center}
\textbf{Most Black Press Titles Fall in Circulation in 2012}
\end{center}

\begin{center}
\textit{Total Average Paid Circulation for the Six Month Period Ending September 30}
\end{center}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{chart.png}
\caption{Chart showing circulation trends of various Black Press titles over the years 2009 to 2012.}
\end{figure}

\begin{center}
\textit{Source: Alliance for Audited Media for all papers but the Chicago Defender, Annual Audit Report, Verified Audit Circulation (April 1-September 30).}
\end{center}

\begin{center}
\textit{Note: This chart tracks Tuesday’s circulation for The Philadelphia Tribune. Total circulation includes educational copies, employee and independent contractor copies and copies provided in retail businesses.}
\end{center}

All other papers studied here saw circulation declines, even with the consideration of e-editions.

The Afro-American saw both of its papers lose circulation in 2012. The Washington Afro plummeted almost half (49%) to an average paid circulation of 6,007 for the six months ending September 2012 and the Baltimore Afro declined by 7% to 6,840 in the same time period.

Oliver said the company did still plan on expanding to the Baltimore suburbs as it had successfully done in Prince George’s County, Md., a Washington suburb, but had not taken steps to do so yet. The Afro papers in May 2012 also got a new executive editor, Avis Thomas-Lester, a 22-year veteran of The Washington Post.\textsuperscript{7}

The Chicago Defender, founded in 1905 and one of the country’s first black-owned newspapers, declined 8% year to year, to an average paid circulation of 7,737 for the five months ending September 2012, down from 8,396 during the same period the year before, according to Verified Audit Circulation.\textsuperscript{8}

A paper that saw a similar decline in circulation was The Philadelphia Tribune. The paper, published three days a week and founded in 1884, had an 11% decrease in its Tuesday paid subscription for the six months ending September 2012 to 13,320 copies and a 22% decrease for its Sunday edition to 9,950. Its Friday edition did not fare as poorly, losing only 3% of its average circulation in that time period.

\textbf{Newspaper Advertising and Financial Resources}
On top of circulation challenges, declining advertising revenue is a problem for every African American newspaper examined. While most of the black press does not report advertising revenue, virtually all the editors interviewed expressed concerns. Decreased revenue has resulted at many outlets in staff cuts and reduced publication schedules.

Even with its recent circulation growth, the advertising picture for The New York Amsterdam News has not improved. “The economy is still very bad,” Tatum said, “And [advertising] still struggles, but we’re holding our own and working very hard to see through this downturn. I’m hopeful.”

One way the paper is trying to stay ahead is by keeping up with technology. It now has a mobile site for its newspaper to make it easier for consumers to read the publication on mobile devices and is also reaching out to its audience through Twitter and Facebook. None of these activities, though, currently brings in extra advertising revenue.

### Prices of African American Newspapers

<table>
<thead>
<tr>
<th>Newspaper</th>
<th>Single Copy</th>
<th>Annual Print Subscription</th>
<th>Annual E-Edition</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York Amsterdam News</td>
<td>$1</td>
<td>$35</td>
<td>$10</td>
</tr>
<tr>
<td>Baltimore Afro-American</td>
<td>75¢</td>
<td>$40</td>
<td>Print edition includes e-edition</td>
</tr>
<tr>
<td>Washington Afro-American</td>
<td>75¢</td>
<td>$40</td>
<td>Print edition includes e-edition</td>
</tr>
<tr>
<td>Philadelphia Tribune</td>
<td>75¢ Weekday/ $1 Weekend</td>
<td>$98 for all three days, $85 for Tues. and Fri. $43 for Sunday, $59 for Tues. or Fri.</td>
<td>$1 per week</td>
</tr>
<tr>
<td>Chicago Defender</td>
<td>$1</td>
<td>$45</td>
<td>n/a</td>
</tr>
<tr>
<td>Washington Informer</td>
<td>Free</td>
<td>$45</td>
<td>Free</td>
</tr>
</tbody>
</table>

Source: Individual newspapers

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At The Washington Informer, the picture seems even more challenging. Some advertisers are not following through on payments while others are now advertising only in every other issue, Ron Burke, the Informer’s advertising and marketing manager, told the Pew Research Center.

Summing up a consensus heard from many people active in the black press, Burke said, “[It’s] always a struggle for any newspaper these days, especially for a small community paper.”

The Chicago Defender, owned by the Detroit-based Real Times Media, which owns four other black newspapers, is facing many of those same financial struggles, but to an even greater extent.

The paper was thousands of dollars behind in its lease, according to reporting in The Chicago Sun-Times. In that same article, The Defender’s publisher and president, Michael A. House, said the newspaper’s problem was increased online competition, decreased advertising and rising print and operating costs, compounded by difficulties collecting its accounts receivables.

Previous financial difficulties had forced The Defender in 2008 to cut back from four days to one day a week. Then, in October 2011, The Defender laid off its only two editors left among a staff of 18, including news editor Rhonda Gillespie, as well as an accounts receivables staffer. The Defender hired Gillespie back in December 2012, as managing editor, though that still left an editorial staff of four. The
Defender did not respond to Pew Research’s inquiries, but earlier in 2011, House told The Sun-Times, “We’re facing the same struggles as everyone else.” And, he added, “[O]ur receivables are taking longer to collect. We’re facing 60 and 90-plus days from advertisers, which creates a backup in terms of our being able to make our own payments.”

Earlier monetary troubles put The Afro through cutbacks, too. The paper cut its operations to four days a week in May 2010. After that decision, several people left or moved to part-time and The Afro did not rehire for those positions - and still does not plan to.

“We’re using a lot of freelance writers,” said Oliver, and those who remain, he said, “have doubled their efforts.”

Tied to the financial challenges, the number of pages in both papers has been on the decline for years. In 2008 the Afro papers ran 28 to 32 pages per issue, on average, and are now down to around 16 to 20. Oliver says they make up for it with news-related emails sent to readers several times throughout the week and a Twitter feed that can provide followers with more up-to-date headlines than a weekly paper can provide. And in August 2012, the Afro put out a special 128-page, commemorative issue celebrating the newspaper’s 120th anniversary.

That special issue highlighted the history of the black community in Baltimore and Washington, something the paper is trying to focus on more.

**Television**

African Americans stand out for their reliance on TV news. Almost seven out of 10 (69%) of African Americans said they watched television news “yesterday.” That compares with 56% of non-Hispanic whites, 43% of Hispanics and 55% of Americans over all, according to a May 2012 Pew Research Center survey.

Despite these figures, black-oriented television news programs are rare and few last more than a few seasons. Instead, African American programming tends to center on music, culture and other subject areas that have had more lasting power. This trend continued in 2012, though there were some signs of dedication to news. The most popular channel, BET, launched a new news program in 2012. BET and TV One also both aired special election-related programming and one new channel emerged with a heavy emphasis on news programming.
New Television Channels

New multicast channels made possible with the shift to digital transmission have opened the door to niche programming that earlier had trouble finding a place in the more competitive realm of cable.

With the move to digital transmission, stations that previously carried only one analog signal have the ability to air multiple channels through the same bandwidth, a system termed multicasting. This means broadcasters can lease those subchannels to others who can air programming targeted to a niche audience, instead of vying for distribution on tightly packed (though more lucrative) cable channel lineups.

African American audiences have been among the populations served in this new realm. “[African American channels] don’t need coverage in 100% of the country, they just need to have substantial coverage in the markets that make up the majority of the black audience in the U.S.,” Bill Carroll, the vice president and director of programming for Katz Television Media Group, a media representation company and a subsidiary of Clear Channel Communications, told Multichannel News.16

One forthcoming multicast channel, Soul of the South, announced plans to include a strong news component. The channel is to be aimed at African Americans in the South, though its launch has had extensive delays. Originally, the premiere was scheduled for first quarter of 2012. It was then pushed back to September 2012. But as of this report’s release, there was still no sign of an opening air date.17
Among the channel’s planned programming is a two-hour morning news show, an hour-long evening newscast and a nightly half-hour news program. While it is to be geared toward African Americans in the South, the channel, according to its website, also plans to air in cities in the North, including Philadelphia, Chicago, Detroit and others.

The network is looking to capture both local and national advertising on the channel.

“In some of the instances, the local channels that we will broadcast on will sell their own advertising and, in other instances, we will control the local advertising revenue and all of the inventory in that local market,” Edwin Avent, chairman and CEO of Soul of the South, told Multichannel News. “We see ourselves more as an NBC or a CBS in that we have the network, but we have the ability to offer local-origination programming through news that relates to the viewers.”

Most of the other new multicast channels aimed at African American have little if any news components.

Bounce TV, for example, launched in September 2011 with syndicated entertainment programs and sports from the Central Intercollegiate Athletic Association, the country’s largest African American athletic conference. By August 2012, Bounce TV was available in 80% of African American homes.

In December, Univision announced it would begin carrying the channel, which brought Bounce TV’s coverage to 86% of African American homes and 68% of the total U.S.

**Cable Channels**

**BET**

Launched 33 years ago, BET has tried airing various news programs over the years, but none have displayed much staying power.

The last attempt was a political talk show, Weekly With Ed Gordon, that first aired in October 2010. While the show still had a website at the time this report was released, the last clips were uploaded in March 2011.

In October 2012, the station tried again, with a news/talk program, Don’t Sleep!, hosted by former CNN reporter T.J. Holmes. The 11 p.m. show, guided by BET’s president of music programming and specials rather than its news division, is targeted toward anyone interested in black culture, according to Holmes.

“We’re not doing necessarily just black stories, if you will, or just black people,” Holmes told Lee Bailey’s eurweb. “But everyone you will see on this show will certainly have something to offer and something relevant to the black community.”

Six weeks after Don’t Sleep! went on the air, though, BET announced that it was scaling back the program from a half-hour Monday through Thursday to an hour once a week, starting Wednesday, November 14. Then in December, the show went on hiatus and as of January 2013, a date for its return was “not yet determined,” BET spokeswoman Jeanine Liburd told Journal-isms.
According to The Washington Post, the show’s launch averaged about 400,000 viewers (an episode on October 9 approached one million viewers, but it never came close to those numbers since, with some episodes bringing in numbers as low as 203,000 viewers). That is, according the Post report, about 50% fewer viewers than BET had in the timeslot the same period a year ago.24

“To be honest, the ratings haven’t been great in the past two weeks,” BET chief executive Debra Lee said at a screening in New York City, “Our audience always says they want this kind of programming, but they don’t show up.”25

BET News has also produced documentaries and reports about specific issues over the years. Most recently, in both March and April 2012, BET aired half-hour programs about Trayvon Martin, the unarmed teenager shot to death in Florida.26 In December 2011, BET aired a documentary about the African American Republican presidential hopeful Herman Cain.27

Digitally, BET has a specific web page dedicated to news, and it emails breaking news headlines about prominent African Americans to its members. It had a dedicated microsite for the 2012 election, BET.com/Vote2012, which provided news from BET along with a breakdown of issues and candidates.28

**TV One**

Another black-focused cable station, TV One, airs several news-related shows on a regular basis and in 2012 instituted a partnership with a major news network. TV One has more news content than any other cable channels geared toward a black audience and is also part of the same company that produces the News One website, which provides news stories geared toward an African American audience.

TV One paid special attention to the political conventions in 2012. For the first time, it joined with NBC News to air coverage of the last nights of both the Republican and Democratic National Conventions, with correspondents from TV One, NBC News and theGrio on air. The channel also provided live coverage of election night in November, also in partnership with NBC News.29

The channel also provided coverage of President Barack Obama’s second inauguration in January 2013, including coverage of the swearing-in and the Inaugural Address, anchored by Roland Martin. The executive director of the Congressional Black Caucus, Angela Rye, as well as Dr. Chris Metzler, a political scientist at Georgetown University, provided commentary.

TV One’s public affairs program is Washington Watch With Roland Martin, which debuted in September 2009 and provides a traditional Sunday morning talk program from the African American point of view. Martin also hosts occasional primetime editions of the show covering specific issues and topics.30

TV One also airs Black Enterprise Business Report, a show affiliated with Black Enterprise magazine. The show includes “Powerplayer” interviews with black businesspeople, personal finance tips, highlights of successful small-business owners and lifestyle trends.31
Oprah Winfrey’s cable channel, OWN, which started in January 2011, struggled to gain viewers in 2012 which led to the dismissal of chief executive Christina Norman. But in January 2013, the channel gained both eyeballs and news media attention for Winfrey’s interview with seven-time Tour de France champion cyclist Lance Armstrong. After Armstrong had repeatedly denied using performance-enhancing drugs, he admitted publicly to doping in the interview with Oprah. The first part of the Armstrong broadcast garnered 3.2 million viewers on a Thursday evening. When it was repeated later that evening, an additional 1.1 million people tuned in. This is still lower than her syndicated days on network TV (her show averaged more than 7 million viewers a day in 2007). But it could lead her to seek out more news-related moments, as the network tries to stay afloat financially. According to MediaDailyNews, pricing for national advertising for Oprah’s Next Chapter had been going for around $12,000 for a 30-second spot, but the Lance Armstrong interview garnered prices as high as $50,000. High-profile interviews have paid off for the network in the past year. Winfrey interviewed Whitney Houston’s family in March 2012 following the singer’s death (which garnered the highest ratings the network has seen, 3.5 million viewers), Rihanna about her relationship with Chris Brown in August 2012 and David Letterman about his sex scandal in January 2013.

The network lost an estimated $142.9 million in 2012, according to SNL Kagan. That same firm expects OWN to pull in $35 million in operating profit in 2013. Much of that will come from growing subscriber fees, which will raise network revenues to $150 million from $20 million, according to The Wall Street Journal.

New Cable Channels

Two new African American channels emerged on cable, as part of an agreement with the Federal Communications Commission when Comcast bought NBCUniversal, but again they are focused on entertainment rather than news. One of them, Aspire, is headed by Magic Johnson, the former basketball player and business magnate. It was launched in June 2012 and focuses on contributions African Americans have made to culture. The other is a music channel, Revolt, that is expected to be launched in 2013.

Radio

African American radio stations and voices have been disappearing in recent years and saw accelerated decline in 2012. So much has been the decline that in June 2012 a group of black media organizations sent a letter to the Federal Communications Commission, demanding that the FCC look into the “demise of black radio in America” and the impact that has had on urban communities.

The impetus for the letter was the merging of 30-year-old KISS-FM (WKRS) in New York City with its long-time rival, WBLS. The old WKRS was bought by Disney in April 2012 and switched from African American-oriented urban radio to sports talk. At that time, KISS-FM and WBLS began simulcasting on WBLS. KISS-FM had suffered in ratings and advertising when Arbitron switched to Portable People Meters in New York. (Portable People Meters are pager-sized devices that register everything the wearer hears, instead of a
diary system where Arbitron listeners notated their listening habits.) The meters were first tested in two markets in 2007 and have slowly grown throughout the country since then. Many have charged that the meters included too few minority listeners, negatively affecting those ratings of stations aimed at them.\(^{39}\)

As a result of the merger, New York City, the country’s largest radio market, lost two popular nationally syndicated news and talk shows, The Tom Joyner Morning Show and The Michael Baisden Show, both of which claim over eight million listeners weekly nationwide.\(^ {40}\)

The number of urban radio stations has been in decline in other cities, too, including Miami, which lost one of its three urban radio stations to a Spanish-language pop station in May 2010.

“Black radio, ownership and voices have been spiraling backwards since the Telecom Act of 1996,” Paul Porter, the co-founder of media watchdog group Industry Ears, and one of the authors of the letter to the FCC, told theGrio.\(^ {41}\)

The 1996 Telecommunications act lifted the ban on the number of stations a company could own, which makes it harder for small stations and companies to compete. As a result, more of the radio landscape is controlled by a few large companies, like Clear Channel.\(^ {42}\)

Indeed, in January 2013, two of the largest black radio networks consolidated their programs. Radio One consolidated its Syndication One Urban lineup with Reach Media and increased its ownership in Reach Media from 53% to 80%.\(^ {43}\) This means that several of the most popular news/talk/information shows will be under the same syndicate, including Tom Joyner, Rickey Smiley, Russ Parr and the Rev. Al Sharpton.\(^ {44}\) Reach also plans to launch a new network and expand its sales and marketing staff to sell ad inventory and sponsorships.\(^ {45}\)

Another well-known station, WPFW in Washington, D.C., part of the Pacifica radio network, had plans to change its format because of financial pressure. In place of local programming with local personalities, including jazz and community talk, WPFW announced it would move largely to syndication of national shows like Tell Me More, The Tavis Smiley Show and The Takeaway from NPR and PRI.\(^ {46}\) But there was such a negative reaction from listeners and its parent company, Pacifica, that WPFW did not change formats. It is still struggling financially, though.

“We have to stop the hemorrhaging,” Tony Norman, the chairman of the community board that oversees WPFW, told The Washington Post. “We’re losing money and audience. We have to make these changes.” The station is facing its third straight deficit in 2012, between $150,000 to $200,000 on annual revenue of about $1.6 million.\(^ {47}\)

Elsewhere in black radio, social critic and Georgetown University sociology professor Michael Eric Dyson ended his show in March 2012.

With the expense of radio and relatively low levels of listenership over all, the internet may represent an option for future African American-targeted audio programming.
“Can we use the web and social media to help sustain a radio audience by continuing what black radio was known for?” asked Neil Foote, a senior lecturer at the University of North Texas’ Mayborn School of Journalism. “[Radio was] the source to get the word out for what was going on in the black community. The source for what was going on during the Civil Rights Movement and where folks traditionally have gone to find out about the issues they want to know about.”

**Digital Media**

While traditional media sources for African American news are still popular, there are several online-only publications geared toward the black population.

Of those news sites, the most popular is The Huffington Post’s BlackVoices. The site shares the same format as Huffington Post, but gears its content to a black audience. Like The Huffington Post, the site has a mix of articles from Huffington Post writers, wire stories and special posts from politicians and other well-known people. The average monthly audience from October through December 2012 amounted to 2.4 million. That is lower than the November 2011 average of 3.3 million. But, The Huffington Post said, many articles also appear elsewhere on The Huffington Post’s site, which means they may reach more individuals than the numbers indicate. The Huffington Post over all averaged 59.4 million users a month for 2012.

A new online video series, HuffPost Live, which debuted in August 2012, also sometimes carries stories geared toward black audiences. For example, the site aired a discussion on mental health in the black community and another on Mitt Romney courting black voters.

In August 2012, Christina Norman, formerly of OWN, who had been executive editor of BlackVoices, was reassigned to editor-at-large. Instead of managing editorial material on a day-to-day basis, Norman’s tasks will be “contributing blogs and helping set the overall direction for Black Voices,” Huffington Post spokesman Rhoades Alderson told Journal-isms.

The site saw other management changes in 2012:

- Managing editor Miguel Ferrer left the site in October 2012 to become the first executive producer for a new news and lifestyle website planned jointly by ABC News and Univision News.
- Danielle Cadet was named editor of BlackVoices in November 2012.
- Gene Demby, who had been an editor of BlackVoices, stepped down to become its political editor, but left the company in 2012 as well.
- Trymaine Lee, who joined BlackVoices in 2011, left the website for MSNBC in November 2012.

Another popular news website geared toward an African American audience is theGrio, an NBC-owned website launched in 2009. The site hired a new political editor, Perry Bacon, Jr., in 2011. Bacon joined
The Washington Post in 2007 and left in 2011 to become political editor of theGrio.com and a contributor to MSNBC.53

Filled mainly with news and opinion pieces, theGrio’s audience spiked in November 2012, compared to the same period the year before. Its total number of visitors in was nearly that of BlackVoices, 1.96 million, a 76% increase from 1.11 million the same month the year before.54

The Washington Post’s The Root, another news-focused site, attempted to find a local audience in 2011. The site was founded by Harvard professor Henry Louis Gates Jr. and Washington Post Company chairman Donald E. Graham in January 2008 and aims to be a “Slate for black readers.”55 In August 2011, The Root released The Root DC, which focuses on local Washington news stories of interest to an African American audience.56 In November 2012, the site saw an 18% decrease in unique visitors, to 709,000 from 864,000 November 2011.57

### Unique Visitors to African American Websites

<table>
<thead>
<tr>
<th>Website</th>
<th>November 2011</th>
<th>November 2012</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>BET Networks</td>
<td>2,577</td>
<td>3,701</td>
<td>44%</td>
</tr>
<tr>
<td>Mediatakeout.com</td>
<td>2,613</td>
<td>3,020</td>
<td>16%</td>
</tr>
<tr>
<td>Bossip.com</td>
<td>1,306</td>
<td>2,687</td>
<td>106%</td>
</tr>
<tr>
<td>HuffPostBlackVoices</td>
<td>3,318</td>
<td>1,994</td>
<td>-40%</td>
</tr>
<tr>
<td>TheGrio.com</td>
<td>1,111</td>
<td>1,980</td>
<td>76%</td>
</tr>
<tr>
<td>MadameNoire.com</td>
<td>1,037</td>
<td>1,863</td>
<td>80%</td>
</tr>
<tr>
<td>BlackPlanet.com</td>
<td>697</td>
<td>1,023</td>
<td>47%</td>
</tr>
<tr>
<td>NewsOne.com</td>
<td>-</td>
<td>915</td>
<td>-</td>
</tr>
<tr>
<td>HelloBeautiful.com</td>
<td>-</td>
<td>722</td>
<td>-</td>
</tr>
<tr>
<td>Essence</td>
<td>799</td>
<td>719</td>
<td>-10%</td>
</tr>
<tr>
<td>TheRoot.com</td>
<td>864</td>
<td>709</td>
<td>-18%</td>
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<tr>
<td>TheYBF.com</td>
<td>605</td>
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<td>6%</td>
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<tr>
<td>EurWeb.com</td>
<td>332</td>
<td>420</td>
<td>26%</td>
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<tr>
<td>BlackAmericaWeb.com</td>
<td>378</td>
<td>348</td>
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<tr>
<td>BlackEnterprise.com</td>
<td>288</td>
<td>233</td>
<td>-19%</td>
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<tr>
<td>ConcreteLoop.com</td>
<td>275</td>
<td>209</td>
<td>-24%</td>
</tr>
<tr>
<td>Ebony.com</td>
<td>15</td>
<td>87</td>
<td>494%</td>
</tr>
<tr>
<td>ClutchMagOnline.com</td>
<td>59</td>
<td>83</td>
<td>41%</td>
</tr>
</tbody>
</table>

Source: comScore

Note: NewsOne.com and HelloBeautiful.com had traffic too low to report in November 2011.

**2013 State of the News Media**

### Other Black News Sites
- The Electronic Urban Report, or eurweb, a site launched in 1997 by broadcaster Lee Bailey, had 420,000 unique visitors in November 2012.58
- BlackAmericaWeb.com, Tom Joyner’s website, which has some news content, had 348,000 unique visitors in November 2012.59
A black website with more of a niche audience is the online magazine clutch, which calls itself the “digital magazine for the young, contemporary woman of color.” In July 2012 the magazine hired Danielle Belton, the creator of the pop and politics blog blacksnob.com as editor-at-large. Belton appears on both NPR’s Tell Me More and PBS’ To the Contrary and will serve as clutch’s public face and a columnist, content editor and contributor.  

Clutch’s number of unique visitors is relatively small, but it had an increase in visitors in November 2012 with 83,000 unique visitors, 41% more than 59,000 in November 2011.

In addition to those sites, radio programs that have found it increasingly difficult to find radio air time, are turning online to broadcast their shows. For example, when KISS-FM and WBLS merged, The Tom Joyner Show lost its slot. In response, Joyner urged his New York listeners to tune in to his show on his website.

Two digital areas where the black news media may find a large audience are in social networks and in the tablet realm. While African Americans still access the internet at lower rates than the white population (70% of African Americans say they use the internet, compared to 81% of non-Hispanic whites), those on the internet are more likely to use social networks like Facebook, Google+, Twitter and Instagram than whites and the population over all, according to 2012 surveys from the Pew Research Center.

Almost seven out of 10 (69%) African Americans online are on the most popular social networking site, Facebook, slightly more than the 65% of the white population and two-thirds of the population over all.
• And the percentage of African Americans online who use the microblogging site Twitter (26%) is quite higher than the population overall (16%), while only 14% of white respondents said they were using Twitter.

• Instagram, the popular photoblogging site, is used by 23% of African Americans online, compared to 11% of whites and 13% of the total population.

• LinkedIn and Pinterest are more popular among whites online and the online population overall than they are for African American users. The numbers for Tumblr are close for African Americans and whites.

A 2012 Pew Research Center study on the use of mobile devices, found non-Hispanic black tablet owners are more likely to use their tablets to get news than are other ethnic groups. Over half, or 56%, of tablet-owning non-Hispanic blacks get news daily from their tablets, compared to 37% of Hispanics and 36% of non-Hispanic whites.63

“The black media in particular have needed to get online and needed to ramp up their use of technology,” said Dr. Clint C. Wilson, a professor of journalism at Howard University. “When we’re talking about a platform or a delivery system, that’s one half of the equation. The other question is what content you’re putting on that platform. . . . Black people still need news that’s of interest and importance to them.”

Wilson, who believes the black press needs to practice more aggressive advocacy journalism for the community, added: “The purpose of the black press was never economic. Obviously they want to survive. But it wasn’t just about the money.”64

**Magazines**

Most magazines geared toward African Americans are not news-oriented. Still, they have historical importance as national sources of information for a black audience.

**Two Different Tales at Johnson Publishing**

The largest African American magazine publisher, Johnson Publishing—the publisher of Ebony and Jet magazines—physically downsized its headquarters in January 2012, from 110,000 square feet to about
Jet, Johnson Publishing's small-format news and entertainment magazine, has been struggling with circulation for several years and the situation worsened in 2012. Its circulation decreased by 9.1% to 745,809 for the six months ending June 2012, down from 820,557 during the same period the previous year. Its number of ad pages dropped 16.1% in 2012 compared to 2011, to 330.69.

The company also adjusted its rate base down to 700,000 from 900,000, meaning that it promised advertisers a circulation of at least 700,000, which it delivered upon for the most recent audit period. The magazine also decreased the percentage of free magazines distributed to community businesses, down from 9.2% to 1.2%, according to Crain’s.

Jet, Johnson Publishing’s small-format news and entertainment magazine, has been struggling with circulation for several years and the situation worsened in 2012.

In January 2012, Jet decreased its publishing model from weekly to biweekly and hired a new managing editor, Anslem Samuel Rocque, previously the culture editor of The Source Magazine (a hip-hop publication) and editor-in-chief of Ave magazine (also a hip-hop magazine).

The company also adjusted its rate base down to 700,000 from 900,000, meaning that it promised advertisers a circulation of at least 700,000, which it delivered upon for the most recent audit period.

The magazine is “quietly revamping,” though, according to an article in Crain’s Chicago Business. Jet decided to spend less on increasing its circulation and more on overhauling the publication, Johnson Publishing CEO Desirée Rogers told Crain’s.

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Jet’s sister publication, Ebony, a general-interest monthly magazine, had a much more promising 2012.
“We’re very happy that we made rate base,” Rogers told Crain’s, “It’s just a more difficult environment than we’ve seen in many years.”

Adding to that difficult environment, one of the magazine’s most prominent writers, Clarence Waldron, departed in November 2011. Waldron, called “the dean of arts and entertainment reporters” by the National Association of Black Journalists, left Jet after 29 years to focus on his university teaching career and book writing.

Its average circulation saw a second straight year of growth. And ad pages increased in 2012 well. The magazine's average circulation for the six-month period ending June 30, 2012, was 1,255,542, a 1.6% increase from the same period in 2011. And its ad pages shot up 22.9% in 2012, one of the largest increases in ad pages that any magazine had that year (only the large print format of Reader’s Digest had a larger increase).

Stephen G. Barr, the senior vice president of Johnson Publishing, told the online column Journal-isms that he attributed Ebony’s success to sales and marketing team efforts to secure more first-time advertisers, an increase in spending by existing advertisers, and advertiser and reader feedback on the magazine.

Ebony’s website saw even larger increases, although its overall number of visitors is moderate. In November 2012, ebony.com had 87,000 monthly unique visitors, an almost six-fold increase from 15,000 visitors in November 2011. JetMag.com, Jet magazine’s website does not meet the minimum reporting thresholds for comScore to provide data on unique visitors.
The magazine’s staff and CEO Desirée Rogers, the former White House social secretary for President Obama, are given much of the credit for Ebony’s turnaround. When Rogers took over the magazine in 2010, it had missed its rate base repeatedly and ad pages had dropped drastically.

After taking the reins, Rogers hired an outside firm to work on Ebony’s circulation issues and a new publisher, Stephen Barr, who subsequently reassembled the ad sales department. (Barr is senior vice president/group publisher for both Ebony and Jet.) The magazine’s editor-in-chief, Amy DuBois Barnett, oversaw a redesign of Ebony in April 2011 and in January 2012, ebony.com was revamped by the same company that designed vogue.com and The Daily Beast.

“We’re going to do better than last year,” Rogers told WWD, “The goal is much higher than it was.”

Still, the magazine faces some challenges. Its readership is aging and Ebony feels that it has to perform a balancing act, making sure the magazine appeals to a young audience while not offending its older readers, according to Women’s Wear Daily.75

In December 2012, Terry Glover, Ebony’s managing editor, died, after a long illness. She had been managing editor since 2009.76

**Changes at Other African American Magazines: Uptown and Black Enterprise**

Other African American-focused magazines underwent change in 2012 as well.

Uptown is a magazine geared to affluent black readers in Washington, Chicago, Atlanta, New York City, Charlotte, Detroit and Philadelphia. Co-CEOs Len Burnett and Brett Wright both left the magazine while Burnett negotiated a deal to buy Uptown back from Vibe Holdings, the company backed by Magic Johnson, in November 2012. Uptown had been part of Vibe Holdings for almost two years.77 Wright and Burnett will reunite as co-owners of Uptown.78

Uptown saw a slight dip in circulation in 2012: for the six months ending June 2012, the magazine had an average circulation of 228,488, a 0.5% decrease from the same period in 2011.79

Another popular magazine geared toward African Americans is Black Enterprise, a business magazine. The magazine had a decline in ad pages sold in 2011, while its circulation increased.

Black Enterprise’s circulation increased 3.7% in the six months ending June 2012, compared to the same period in 2011. In 2012, ad pages for Black Enterprise decreased by 9.7% compared to 2011.80

Black Enterprise’s website had 233,000 unique visitors in November 2012, a 19% decrease from 288,000 in November 2011.81
Click here for information on two magazines geared specifically toward black women, but with little news content, Essence and Heart & Soul.

**Endnotes**

1. According to Dr. Clint C. Wilson, a professor of journalism at Howard University, “The definition of African American media used by most scholars encompasses outlets that are (1) at least majority-owned by African Americans, (2) operated and produced by a majority African American staff and (3) targeted for the African American audience. “News” in this report also has somewhat of a broader definition than in general. Several of the monthly magazines and television shows may include some news content, but may not be solely news outlets.

2. For more data about news consumption in particular, visit the Pew Research Center’s latest news consumption study [here](http://www.people-press.org/2012/09/27/in-changing-news-landscape-even-television-is-vulnerable/).


15. African Americans stand out for their reliance on TV news. Almost seven out of 10 (69%) of African Americans said they watched television news “yesterday.” That compares with 56% of non-Hispanic whites, 43% of Hispanics and 55% of Americans over all, according to a May 2012 Pew Research Center survey.


19. Soul of the South website.


21. “Univision to Carry Bounce TV in Seven Major Markets in Groundbreaking Distribution Agreement Teaming Leading Hispanic & African American Media Companies”.


34. SNL Kagan. OWN: Oprah Winfrey Network Economics.


41. According to the letter, African Americans own just 3% of full-power commercial radio stations in the U.S.


45. Reach also plans to launch a new network and expand its sales and marketing staff to sell ad inventory and sponsorships.


50. comScore. Email to Pew Research Center.


64. Wilson, Clint C. Interview with the Pew Research Center. Aug. 16, 2012.

66. Alliance for Audited Media. Publisher’s Statement: Jet.


71. Alliance for Audited Media. Publisher’s Statement: Ebony.


74. comScore data. Dec. 19, 2012. Looking at website visitors for this report, we look at month-over-month for November 2011 vs. November 2012 just to get a snapshot of the change year-over-year using one month, which is how comScore shares those data.


79. Alliance for Audited Media. Publisher’s Statement: Uptown.
Alternative Weeklies: Rethinking Strategy in the Digital Age

By Monica Anderson, Emily Guskin, and Mark Jurkowitz of the Pew Research Center

For the nation’s alternative weekly newspapers, 2012 proved to be another year of contraction and churn as the industry sought new ways to build better revenue models.

Some papers engaged in substantial experimentation on the digital side in 2012, but at this point, monetizing the online business remains largely an elusive goal. There were other efforts to generate new revenue as well.

In March 2013, one of the largest papers, The Boston Phoenix, announced it was ceasing publication after nearly a half century. This followed a recent move to shift the alt weekly from traditional newsprint to a glossy magazine format. In recent years, nearly a dozen alt weeklies have made the same move, which is designed to make them more attractive to advertisers.

One interesting trend in 2012 saw having larger legacy newspaper companies buying alternative weeklies. The Chicago Reader, SF Weekly and the San Francisco Bay Guardian were all sold to parent companies of such papers in 2012. While this could be viewed as a positive development, it did not work well for one alt weekly. That was The Other Paper, a Columbus weekly that was bought by the company that owns that city’s mainstream daily, which closed it in early 2013.

There were significant changes at the Village Voice, the country’s best known and oldest alt weekly. Its circulation dropped substantially, several staff writers were laid off, its editor resigned and its parent company was sold.

Circulation

The combined circulation of the top 20 alt weeklies, free publications that belong to the Association of Alternative Newsmedia, the largest trade organization for alt weeklies, declined by 8% in 2012. While significant, that drop was less severe than in 2011, when circulation fell by 14%. The association’s executive director, Tiffany Shackelford, attributed the circulation loss in larger papers, in part, to
increased competition and asserted that papers in smaller markets are faring better.¹

<table>
<thead>
<tr>
<th>Top 20 American Alternative Weekly Newspapers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspapers by Circulation (2012)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>2012 Circulation</strong></td>
</tr>
<tr>
<td>LA Weekly*</td>
</tr>
<tr>
<td>Village Voice (New York)</td>
</tr>
<tr>
<td>San Diego Reader</td>
</tr>
<tr>
<td>Boston Phoenix*</td>
</tr>
<tr>
<td>Phoenix New Times*</td>
</tr>
<tr>
<td>Chicago Reader*</td>
</tr>
<tr>
<td>Philadelphia Weekly</td>
</tr>
<tr>
<td>City Pages (Minneapolis)</td>
</tr>
<tr>
<td>Westword*</td>
</tr>
<tr>
<td>Dallas Observer</td>
</tr>
<tr>
<td>Creative Loafing (Georgia)*</td>
</tr>
<tr>
<td>Austin Chronicle*</td>
</tr>
<tr>
<td>Long Island Press</td>
</tr>
<tr>
<td>Sacramento News &amp; Review*</td>
</tr>
<tr>
<td>Willamette Week (Portland)</td>
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<tr>
<td>OC Weekly*</td>
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<tr>
<td>Philadelphia City Paper*</td>
</tr>
<tr>
<td>The Stranger (Seattle)</td>
</tr>
<tr>
<td>Miami New Times*</td>
</tr>
<tr>
<td>Washington City Paper*</td>
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</tbody>
</table>

*Source: Alliance for Audited Media and Verified Audit Circulation, Willamette Week’s circulation numbers are self-reported. Note: Asterisk (‘*) notes publisher’s statements were used to analyze circulation data.

**PEW RESEARCH CENTER**

2013 State of the News Media

Long the largest alt weekly, New York’s Village Voice no longer claims that title. The Voice’s circulation dropped by 15% to 157,050 in 2012 from 184,377 in 2011. Now LA Weekly has the largest circulation in the alt weekly genre. The Weekly’s circulation (160,128) was flat in 2012.

The paper that experienced the largest percentage drop in circulation amongst the top 20 alt weeklies was The Boston Phoenix. That paper’s circulation fell by 29% to 103,629 for the six-month period ending September 2012 compared to the same period in 2011. That decrease comes after a 22% increase in circulation in 2011.

Another publication suffering a readership plunge was the Baltimore City Paper, which lost 24% of its circulation in 2012, dropping it out of the top 20 most circulated papers. Circulation fell to 59,297 down from 77,354 in 2011.

Of the largest alternative weeklies, only the Phoenix New Times (91,355) experienced any increase in circulation in 2012 and that gain was minuscule at 0.14%.

**Industry Changes**

*Village Voice Media*

There were a number of changes and some downsizing at the nation’s largest chain of alternative weeklies, Village Voice Media.
In September 2012, Voice Media Group, a holding company comprising Village Voice management, purchased the company from its founding owners, James Larkin and Michael Lacey. The controversial backpage.com—a classified ads website that has been criticized for running ads linked to sex trafficking—was not sold in the deal. The negotiations were lead by Scott Tobias, who was named the chief executive of Voice Media and had previously served as chief operating officer of Village Voice Media.

Several months later, in January 2013, Village Voice Media Group’s SF Weekly was sold to the San Francisco Newspaper Company and its Seattle Weekly was sold to Sound Publishing, which is based in Washington State, bringing its holdings down to 11 weeklies, from 13 in 2011.

The company’s flagship paper, the Village Voice, experienced some significant personnel departures in 2012. Three staff writers—Camille Dodero, Steven Thrasher and Victoria Bekiempis—were laid off in August and a month later, music editor Maura Johnston was let go. Also in September, Tony Ortega, the editor-in-chief, resigned after five years at The Voice. Will Bourne, replaced Ortega in November 2012.

In June, citing the recession as the reason, Village Voice Media announced that the editorial staff for the New Times-Broward Palm Beach would relocate to the Miami New Times offices. The two papers remain independent and produce separate content, but they now share the Miami New Times editor, Chuck Strouse. The New Times Broward’s editor, Eric Barton, was let go after 10 years.

In January 2013, the Miami New Times broke a story that rocked the baseball world. It linked several players, including superstar Alex Rodriguez to a Miami anti-aging clinic that allegedly provided performance-enhancing drugs. In February, baseball executives asked Strouse to share the paper’s documents in order to aid Major League Baseball’s investigation into illegal doping, but the editor’s decision to hand over documents had not been finalized.

Creative Loafing

Once one of the largest alt weekly chains, Creative Loafing went out of business in 2012. The company was founded in 1972 and at one time owned as many as six papers, but in 2008 Creative Loafing filed for bankruptcy. In 2009, the chain was sold for $5 million to Atalaya Capital Management, a private equity fund and the paper’s largest creditor.

When Atalaya bought the chain, it promised it would keep Creative Loafing’s papers running, but only a few years later, Atalaya sold all but one: Creative Loafing Sarasota, which it shut down in 2010. After it closed, Creative Loafing Sarasota’s name and some of its content were sold to a legacy newspaper company, the Herald-Tribune Media Group.

The chain’s last remaining publications, The Washington City Paper and Creative Loafing Atlanta, were sold to SouthComm Inc. in July 2012. SouthComm is a Nashville-based chain that also purchased Creative Loafing’s Charlotte and Tampa papers in 2011. The company now owns eight alternative
weeklies, even more than the six that Creative Loafing once owned, making it the second-biggest chain only behind Voice Media Group.

*Other Alt Weekly Companies*

Ownership moves and corporate restructuring were not limited to the large alt weekly companies. Changes abounded at smaller operations as well in 2012:

- In December 2012, publishers for the Long Island Press, in the suburbs of New York City, announced that the paper would switch from a weekly to a monthly. The staff continued to update the paper’s website on a daily basis.\(^{18}\)

- Black & White, an alt weekly in Birmingham, Ala., for 21 years, suspended publication in January 2013 “pending a redesign of its print product and a retooling of its business model.”\(^{19}\) The publishers have not given a timetable of when the weekly would return.

- Portico Media sold the Columbia (S.C.) Free Times to newly formed Resorts Media in December.\(^{20}\) Portico Media still owns C-Ville Weekly in Charlottesville, Va.

- In August, North Carolina’s Independent Weekly was sold to Richard Meeker and Mark Zusman. They also own two other weeklies—Willamette Week in Portland, Ore., and the Santa Fe Reporter in New Mexico.\(^{21}\)

There were some significant staff changes in the alt weekly world in 2012:

- Baltimore City Paper’s editor, Lee Gardner, left in April after 17 years with the weekly.\(^{22}\)

- Editor Michael Schaffer left the Washington City Paper in June after two years on the job.\(^{23}\)

- Creative Loafing Atlanta’s editor-in-chief, Eric Celeste, resigned in October after one year. The paper’s senior editor, Debbie Michaud, replaced him.\(^{24}\)

- Mike Seely, Seattle Weekly’s editor-in-chief, stepped down in January 2013. Seely had worked at the paper since 2006.\(^{25}\)

*Trends to Watch*

Alternative weeklies looked for new ways to survive in 2012. In September, the Phoenix Media Group announced the company would merge The Boston Phoenix, a 47-year-old weekly, with another one of its publications, the lifestyle magazine Stuff. The result was a new format and a new name, a glossy magazine called The Phoenix. With those changes, five Boston Phoenix staff members were laid off.\(^{26}\) Only six months later, the paper folded.

The Phoenix decision to go glossy is part of a larger trend that has emerged in recent years. The Chicago Reader switched to this format in 2011 and the San Diego Reader did so in 2010.\(^{27}\) Also, several papers belonging to Village Voice Media, including Phoenix New Times, Houston Press, Denver’s Westword, Miami
New Times and New Times Broward-Palm Beach, and what was then a Voice publication, SF Weekly, have all transitioned to glossy covers in the past few years.  

Glossy papers can help increase ad revenue and attract larger brands to advertise, according to Tiffany Shackelford, the executive director for the Association of Alternative Newsmedia.  

Additionally, The Chicago Tribune’s Phil Rosenthal wrote that the goal for alt publishers was to make glossies “seem less disposable, more indispensable and more distinct in a crowded media marketplace.”  

Another development saw legacy media companies buying alternative weeklies in 2012, an interesting phenomenon because in many markets, the alternative press was often highly critical—in media columns and elsewhere—of their mainstream brethren.  

In May, the parent company of The Chicago Sun-Times bought the 41-year-old Chicago Reader for $3 million from Creative Loafing, Inc. The Reader’s media writer, Michael Miner, explained the appeal of alt weeklies by stating “we offered advertisers, readers that none of their other papers were reaching and content—listings mainly—that could be shared with those papers.”  

The Chicago Reader is the largest alt weekly in circulation to share an owner with a daily paper in the same city.  

Two long-time alt rivals, the San Francisco Bay Guardian and SF Weekly, were sold to the San Francisco Newspaper Company, publisher of the San Francisco Examiner, a daily founded in 1865. The Bay Guardian was sold in April 2012, followed by SF Weekly in January 2013. The company’s co-owner, Todd Vogt, told the online news site SF Appeal that those acquisitions would give his business “greater readership, reach, and audience in the Bay Area.”  

Other alt weeklies that share ownership with a legacy paper include Las Vegas Weekly (sold in 1998), The Hartford (Conn.) Advocate (1999), The Times of Acadiana in Louisiana (2000), and Las Vegas CityLife (2005).  

But being purchased by a traditional newspaper may not always benefit an alt weekly.  

In Ohio, The Other Paper closed its doors in January 2013 after 23 years in business. The alt weekly’s owners, Dispatch Publishing, shut it down after 16 months of ownership. Dispatch Publishing also owns The Columbus Dispatch, a daily newspaper, and one other alt weekly, Columbus Alive. Company executives said they decided to focus on their first alternative weekly, Alive, stating that “one publication would better serve our readers and advertisers.”  

Digital  
In 2012, mobile technology reached a new threshold, with 50% of Americans reporting that they owned either a smartphone or a tablet, according to an October 2012 Pew Research Center survey. Researchers
also found that 64% of tablet owners and 62% of smartphone owners access news on their mobile devices. 39

Alt weeklies attempted to benefit from this trend in 2012, although monetizing mobile news and information remains a challenge. One potential advantage for these papers is their ability to leverage their expertise of local events, restaurants and concerts to develop mobile apps.

Tiffany Shackelford said that she saw “mobile as one of the most important ways that alt media can increase monetization.”40 She believes that weeklies can capitalize on relationships with local merchants and create profitable digital ads.

One Vermont alt weekly, Seven Days, has made a concerted effort to develop its digital and mobile services. “We’re still not generating a large percentage of our revenue online,” the paper’s publisher, Paula Routly, said, “but we’ve found some digital success.” The paper has two mobile apps. One, BurlApp was released in December 2012 and is a mobile listings app for tourists. In mid-2013, the app is to be expanded to give users the ability to order food, book hotel rooms and pay local merchants.41

The other is the Seven Days App which allows users to view the latest print issue and provides digital-only features, like videos and photos.42

Other alt weeklies focused on location-based apps. In January 2013, the Voice Media Group announced a partnership with the social networking site Foursquare that allows users to “check-in” at specific locations and events that Voice publications have featured in its “Best of” sections.43

Some weeklies have created new online business strategies. The Arkansas Times created a social media service for local businesses that manages companies’ Facebook and Twitter accounts as well as providing photos and other digital content. The service has two dedicated staff members and uses the paper’s production staff when needed. It has signed up 23 clients that brought $15,000 a month in revenue to the paper in 2011. Publishers expected those figures to double in 2012, but they have not been reported yet.44

Another example of an alt weekly seeking revenue online is The Stranger in Seattle. The paper’s website has a ticketing service, similar to Ticketmaster, for concerts and events and the paper receives a commission from every ticket sold on its website.45

Elsewhere, Oakland’s East Bay Express launched an online service for local merchants. The service provides free directory listings and charges businesses between $40 and $60 monthly for other services, including ads tailored for social media and website publishing. Michael Depp of Net News Check reported that about 220 businesses had purchased the services, while 5,000 are participating for free.46

Despite these innovations, few papers are seeing the kind of turnaround needed to counter the revenue losses racked up in the last decade. Their predicament was summed up by former Boston Phoenix media
critic Dan Kennedy, who noted in an interview with Net News Check that alt weeklies “are terribly stressed in trying to figure out how to make money either from print or from digital.”

Endnotes


African American Backgrounder

Essence, a monthly publication founded in 1970, has a focus on fashion, lifestyle and beauty.

Essence’s average circulation increased 2.9% to 1,080,633 in the six months ending June 2012, compared to the same period the year before. But it saw a 10% decrease in web traffic to 719,000 unique visitors in November 2012 compared to the same month in 2011 (799,000). Even worse for the magazine, its ad
The magazine faced management and staffing changes. It started in March 2011 when Constance White, who was previously the style director of eBay, became the magazine’s editor-in-chief, replacing Angela Burt-Murray, who left the magazine the previous November.

Several other staff changes followed. In December 2011, Dawnie Walton, previously the managing editor of Life.com, was hired to be Essence.com’s managing editor.

In April 2012, the magazine’s managing editor, Michael Bullerdick, was transferred to another division after images from his Facebook page calling the Rev. Al Sharpton an “MSNBC Race Pimp” emerged online. A few months later, in July, Australian-born Ellianna Placas, Essence’s fashion director, left the magazine. Her initial hiring in 2010 generated considerable debate since she was the magazine’s first white fashion director. A number of African American bloggers expressed anger toward the hire and during the fashion shows in New York, a group staged a silent protest against her hiring.

In February 2013, editor-in-chief Constance White left the magazine along with beauty editor Corynne L. Corbett, creative director Greg Monfries and photo editor Deborah Boardley. The executive editor, Vanessa Bush, stepped into the role of interim managing editor.

Another magazine geared toward African American women is Heart & Soul. Under new ownership, the wellness magazine broadened its target audience to “all women of color” in an effort to expand its readership. As part of that effort, a Latina, Sandra Guzman was named top editor in January 2012. But by November 2012, she left the post.
But even with this wider targeted demographic, Heart & Soul is still struggling through turbulent times.

In October 2011, the magazine’s president and publisher, Edwin V. Avent, announced he was resigning with plans to start a new television venture, Soul of the South.

In January 2012, a media content company, Brown Curry Detry Taylor & Associates, bought the magazine from Avent, installing a member of the purchasing group, the veteran journalist George E. Curry, as executive vice president of content and editorial director. All of the principals in the buying group had past ties to Heart & Soul. Brown Curry Detry Taylor & Associates is the magazine’s sixth owner in 23 years.

The new owners promised to compensate a group of angry writers who said they were owed more than $200,000 in back pay when Avent owned the magazine. Some contributors said they had not been paid since January 2011. In July 2011, several were told that payments were delayed because Avent was in the process of selling the company.8

The National Writers Union, a labor union for freelance writers, along with some of the writers, launched a campaign against Heart & Soul, which resulted in compensation for several. But as of November 2012, the union said the magazine still owed 13 freelancers $150,000.9

In November 2012, George E. Curry stepped down as executive vice president/content and editorial director.

“This has been an extremely disappointing experience and I don’t want to go into the details about everything that went wrong,” Curry told Journal-isms, “The hardest part for me was bringing talented writers and editors aboard after being assured that the funds would be there to pay them. Obviously, that was not the case. I’ve never been in this situation before and hope to never be in one like it again.”

Heart & Soul is no longer audited by the Alliance for Audited Media and ad pages numbers were not available through The Association of Magazine Media.

Endnotes
1. Alliance for Audited Media. Publisher’s Statement: Essence.


Methodologies

The data for the State of the News Media 2013 report were collected in two parts. The first part consists of data originally generated by other people or organizations that the Pew Research Center then collected and aggregated. The second part, particularly the content analysis, is original work conducted specifically for this report.

For the data aggregated from other researchers, the Pew Research Center’s Project for Excellence in Journalism took several steps. First, we tried to determine what data had been collected and by whom for the eight media sectors studied. In many cases, this included securing rights to data through license fees or other means. We organized the data into the seven primary areas of interest we wanted to examine: content, audience, economics, ownership, newsroom investment, alternative news outlets and digital trends.

Next, we studied the data closely to determine where elements reinforced each other and where there were apparent contradictions or gaps. In doing so, the Pew Research Center’s Project for Excellence in Journalism endeavored to determine the value and validity of each data set. That in many cases involved going back to the sources that 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.

In analyzing the data for each media sector, we sought insight from experts by having at least three outside readers for each sector chapter. Those readers raised questions, offered arguments and questioned data where they saw fit.

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 online, where users can view the raw material, 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, the Pew Research Center paid for the use of the data.

In addition, we conducted original research in a number of special reports and features. The methodologies for each can be found below. You can scroll through them all or click to go directly to the report of interest.

Citing Reduced Quality, Many Americans Abandon News Outlets

Friends and Family - Important Drivers of News

The Changing TV News Landscape
Survey Special Reports

The PSRAI January Week 4 and February Week 1 2013 Omnibus Polls obtained telephone interviews with a nationally representative sample of 2,009 adults living in the continental United States. Telephone interviews were conducted by landline (1,003) and cell phone (1,006, including 512 without a landline phone). The surveys were conducted by Princeton Survey Research Associates International (PSRAI). Interviews were done in English by Princeton Data Source from January 24 to 27 and February 7 to 10, 2013. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is ± 2.5 percentage points.

The Changing TV News Landscape

The study, The Changing TV News Landscape, is based on the content analysis data derived from the Pew Research Center’s Project for Excellence in Journalism’s in-house news coding operation.

Cable and Network TV: The data regarding media coverage during the first five months of 2007 and 2012 was derived from the Pew Research Center’s News Coverage Index (NCI). In January 2007, Pew Research began the NCI, which examined more than 50 news outlets in real time to determine what is being covered and what is not, and other elements of the news each week such as the format of reporting. A team of in-house coders worked on the project. Each member of the coding team was given extensive training in Pew Research’s methods and met high standards of reliability. The work was measured regularly for inter-coder reliability and agreement. Coders watched each piece of news content from the television broadcasts.

Content Captured: The main television analysis was based on content captured Monday - Friday on an ongoing basis. This study included content from January 1, 2007 - May 31, 2007, and January 1, 2012 - May 31 - 2012. In addition, in late 2012, twelve hours per day of cable news for each channel were captured and analyzed.

Details of the capture are as follows:

Cable News

For the comparison data between 2007 and 2012, the main sample consisted of a half-hour of afternoon programming (2:00-2:30 p.m. Eastern time) along with the first 30 minutes of many of the general news-focused programs during the evening hours. Our earlier studies have shown that for much of the day, most people find one cable news program on a channel to be indistinguishable from another. If one were to ask a daytime viewer of cable news which program he or she preferred, the 10 a.m. or the noon, you might get a confused look in response. For blocks of hours at a time, the channels will have programs with generic titles such as CNN Newsroom, Your World Today or Fox News Live.

In addition to the main sample, Pew Research examined an additional three full days of cable in late 2012 (November 26, December 5 and December 18). This was done in order to add additional variables such as commentary and opinion versus factual reporting, and so we could be sure the half-hour sampling of
afternoon cable news was representative of daytime cable news. The data from those three days suggest that the 2:00-2:30 p.m. time slot is representative of daytime programming in general.

Combined, Pew Research analyzed a total of 711 hours of cable news (excluding commercials and previews). The specific cable sample was as follows:

**Daytime**

Rotate, coding two out of three 30-minute daytime slots each day (60 minutes a day).

**Early Evening and Prime Time**

Two 30-minute segments for Fox News (60 minutes)
One or two 30-minute segments for CNN (30 or 60 minutes)
One or two 30-minute segments for MSNBC (30 or 60 minutes)

The Index rotates among all programming from 6 to 11 p.m. that was focused on general news events of the day excluding CNN’s Larry King Live and Fox’s Greta Van Susteren. On October 3, 2011, CNN changed the lineup. The Situation Room was moved to 5pm slot, and we decided to keep the Situation Room in the sample.

Below is the current list of evening cable programs included in our sample as of January 2012.

<table>
<thead>
<tr>
<th>Time</th>
<th>CNN</th>
<th>Fox News</th>
<th>MSNBC</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 p.m.</td>
<td>Situation Room</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 p.m.</td>
<td>John King, USA</td>
<td>Special Report w/Bret Baier</td>
<td>PoliticsNation</td>
</tr>
<tr>
<td>7 p.m.</td>
<td>Erin Burnett OutFront</td>
<td>Fox Report w/ Shéphard Smith Hardball</td>
<td></td>
</tr>
<tr>
<td>8 p.m.</td>
<td>Anderson Cooper 360</td>
<td>The O’Reilly Factor</td>
<td>The Ed Show</td>
</tr>
<tr>
<td>9 p.m.</td>
<td>-----</td>
<td>Hannity</td>
<td>The Rachel Maddow Show</td>
</tr>
<tr>
<td>10 p.m.</td>
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</tr>
</tbody>
</table>

This rotation results in between three and four hours of cable programming each day (including daytime).

For the first five months of 2012, Pew Research analyzed 6,472 stories during the course of 267 hours of programming (not including commercials or previews). In 2007, the sample was larger, as Pew Research coded 9,655 stories during the course of 377 hours.

**Day-Long Analysis**

Three additional days in late 2012 (November 26, December 5 and December 18) were added to the analysis to measure the amount of opinion and reporting that appeared throughout the day on each of CNN, Fox News and MSNBC. Twelve hours of programming a day for each station were examined. The times studied were 6 a.m. to 10 a.m. ET, noon to 3 p.m. ET, and 6 p.m. to 11 p.m. ET. (Because CNN often runs a repeat of Anderson Cooper 360 at 10 pm, CNN was only coded for 11 hours each day.)

This resulted in an additional 67 hours of cable news programming (excluding commercials).

**Network News:**

The network news analysis consisted of 381 total hours of content. For the commercial evening newscasts, the study included the entire program. For the morning programs, it consisted of the news segments that appear during the first 30 minutes of the broadcast, including the national news inserts but not local
inserts. By selecting this sample of the morning shows, it is possible that we will be missing some news stories that appear later in the programs. However, through prior research, we have learned that the morning shows generally move away from the news of the day after the first 30 minutes-save for the top-of-the-hour news insert-and present more human interest and lifestyle stories after that point. The stories that the networks feel are most important will appear during the first 30 minutes and be included in our study.

For the PBS NewHour, analyzed separately, researchers coded 30 minutes of the hour long program. In 2007, every program was included, while in 2012, Pew Research examined every third weekday.

The resulting network sample was:

Commercial Evening News: Entire 30 minutes of 2 out of 3 programs each day (60 minutes)
Commercial Morning News: 1st 30 minutes of 1 or 2 out of 3 programs each day (30 or 60 minutes)
PBS NewsHour: Code the first 30 minutes every third day.

This results in either 1.5 to 2.5 hours of programming each day. In total, the 2012 sample of January through May included 4,942 stories and a total of 134 hours (excluding commercials and previews). In 2007, the five-month sample included 8,841 stories and 247 hours.

(Click here for more details on how this real-time weekly coding was conducted.)

Local Television News:

For local television news, which was not a part of the NCI, the comparison was primarily between 2005 and 2012. Data from 2005 came from a Pew Research project called A Day in the Life of Media, which examined 24 newscasts from three markets (Milwaukee, Houston and Bend, Oregon) from one day, May 11, 2005. That study included almost eleven hours of programming (excluding commercials) and 908 stories.

From 1998 through 2002, however, Pew Research 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, 33,911 stories and 1,200 hours of newscasts were studied. Based on that research, the largest single study of local news we know of, Pew Research has a fairly detailed sense of what Americans generally get from local television news. Researchers examined that data closely to be sure the findings were in sync with the Day in the Life Analysis from 2005.

For data from 2012, Pew Research examined eight stations - two each from four markets - over three days in late 2012 and early 2013. The same three markets used in 2005 were included, along with a fourth market, Pittsburgh, which was added to increase diversity. The two top-rated stations from each market were chosen based on Pew Research’s analysis of Nielsen Media Research data from all four sweep periods. One morning and one evening program from each station were identified. The times examined for all stations were 6:00-6:30 a.m. local time and either 10:00-10:30 p.m. local time or 11:00-11:30 p.m. local time, depending on what each station offered.
The days studied differed slightly for the various markets (due to technical availability). For Milwaukee and Pittsburgh, the days studied were all in 2012 – Monday, November 26; Wednesday, December 5, and Tuesday, December 18. For Houston and Bend, one day was in 2012 (Tuesday, December 18), while the next two days were in 2013 (Wednesday, January 2, and Monday, January 7). This sample resulted in 24 broadcasts, 1,055 stories and more than 15 hours of news programming (excluding commercials and previews).

While there was some variation among the content and format of the stations, the differences were minor. The findings were consistent across station and market. None of the stations examined were noticeable outliers.

Authors Note

This year marks the tenth edition of Pew Research Center’s State of the News Media Report. First published in 2004, the report takes stock each year of how news is gathered and reported and how Americans consume that news.

Each year, we analyze the major sectors of the news industry in several different areas from audience trends to economics to newsroom resources to content and more. We then look across those sectors to see broader trends affecting the news industry overall.

To produce the report, we combine our analysis of data others have generated along with our own reporting and our own original research. Our goal each year is to provide for citizens, journalists, researchers and scholars a singular resource about American journalism — the record of our civic and cultural life.

For each of the sectors studied, we examine developments in five distinct areas—audience, economics, newsroom investment, ownership and digital trends—and, alternative outlets as well. There is also a separate digital chapter that addresses trends which cut across the news industry overall. For ethnic media, rather than give a more cursory examination of “all” ethnic media, we now focus on a particular segment each year. This year we look at African-American news media.

The media sector chapters contain two parts. A summary essay tells the narrative story of that sector over the course of the past year. A separate By the Numbers section presents a full range of statistics, graphically rendered with minimal text to make data easier to locate and scan. In addition to new data, most charts and tables from earlier reports are updated and still available. Users can interact with the data by accessing the statistics in the form of Excel spreadsheets to make their own tables and answer their own questions.

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

The study is the work of the Pew Research Center’s Project for Excellence in Journalism, a nonpartisan and nonpolitical institute that studies the information revolution. PEJ is one of seven initiatives that make up the Pew Research Center in Washington, D.C. The center and this work are funded by the Pew
Charitable Trusts. The newspapers, local TV, digital and magazine chapters were co-authored with industry experts. Other chapters were written and researched wholly by the Project’s staff. All of the chapters also benefit from the input of teams of readers who are experts in each media sector.

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

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

Amy Mitchell

Authors & Collaborators

Many individuals contributed to this report.

From the Pew Research Center’s Project for Excellence in Journalism, researchers conducted the data aggregation and served as the primary writer for the following media sectors: Katerina-Eva Matsa for the magazine chapter, Kenny Olmstead for the digital chapter, Emily Guskin for the network and African American chapters, Jesse Holcomb for the cable television chapter and Laura Santhanam for the audio chapter. Monica Anderson wrote the alternative weeklies section.

In addition, Ms. Matsa conducted the data aggregation, analysis and visual displays for the local television chapter and Ms. Guskin for the newspaper chapter.

Dana Page supervised web graphics, interactive and visual displays as well as press relations. Mr. Olmstead supervised the technical web developments. Mr. Holcomb and Ms. Page served as project managers.

The content analysis was supervised by Paul Hitlin. Mark Jurkowitz and Paul Hitlin wrote the content special report. Tricia Sartor managed the creation and execution of graphics. The content analysis execution was performed by the staff of Pew Research Center with special help from Ms. Santhanam, Steve Adams, Monica Anderson and Nancy Vogt. Cheryl Elzey managed the budget.
The two survey special reports were written by Jodi Enda and edited by Amy Mitchell. Ms. Matsa analyzed the data and provided data cleaning and number checking.

Ms. Mitchell supervised the project, edited the chapters and wrote the overview.

Irv Molotsky was the copy editor.

Outside the Project, Rick Edmonds of the Poynter Institute co-authored the chapter on newspapers, Deborah Potter of Newslab co-authored the local TV chapter and served as a reader for the network chapter. Jane Sasseen, a freelance journalist and former editor at Yahoo! News and BusinessWeek Magazine, edited and co-authored the digital and magazine chapters.

Leah Christian of the Pew Research Center for the People and the Press served as the methodologist for the two survey reports. Michael Keegan and Jessica Shillinger designed the infographic for the Overview of the report. Russell Heimlich, PRC’s web developer, built the report website. Communications Director Vidya Krishnamurthy, Senior Digital Editor Sara Goo, Communications Associate Molly Rohal and Editorial Web Producer Andrea Caumont were involved in outreach efforts including media relations and strategic communications and digital marketing strategy. Communications Assistant Caroline Klibanoff created the Media and Campaign 2012 video. Wendy Kelly of WLK Design redesigned the web site and will produce the executive summary.

Among the three dozen people who served as readers of the chapters were Tom Bettag, Charles Bierbauer, David Boardman, Wally Dean, Neil Foote, Mark Fratrik, Samir Husni, Marty Kaiser, Gabriel Kahn, Diane Mermigas, Bill Mickey, Victor Navasky, Bob Papper, Deborah Potter, Richard Prince, Markus Prior, Lee Rainie, Tom Rosenstiel, Frank Sesno, Tiffany Shackelford, George Stanley, Joseph Turow, Frances Ward-Johnson, Dale Willman and Clint C. Wilson. 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.

Finally, the project could not have been completed without the extraordinary support, both financially and personally, of the Pew Charitable Trusts, particularly Don Kimelman, a trusted editor, and Rebecca Rimel, whose idea this report was in the first place.

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About the Report

This year marks the tenth edition of Pew Research Center’s State of the News Media Report. First published in 2004, the report takes stock each year of how news is gathered and reported and how Americans consume that news.

Each year, we analyze the major sectors of the news industry in several different areas from audience trends to economics to newsroom resources to content and more. We then look across those sectors to see broader trends affecting the news industry over all.

To produce the report, we combine our analysis of data others have generated along with our own reporting and our own original research. Our goal each year is to provide for citizens, journalists, researchers and scholars a singular resource about American journalism – the record of our civic and cultural life.

For each of the sectors studied, we examine developments in five distinct areas—audience, economics, newsroom investment, ownership and digital trends—and alternative outlets as well. There is also a separate digital chapter that addresses trends that cut across the news industry over all. For ethnic media, rather than give a more cursory examination of “all” ethnic media, we now focus on a particular segment each year. This year we look at African American news media.

The media sector chapters contain two parts. A summary essay tells the narrative story of that sector over the course of the past year. A separate By the Numbers section presents a full range of statistics, graphically rendered with minimal text to make data easier to locate and scan. In addition to new data, most charts and tables from earlier reports are updated and still available. Users can interact with the data by accessing the statistics in the form of Excel spreadsheets to make their own tables and answer their own questions.

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Amy Mitchell  |  Acting Director
In 2012, a continued erosion of news reporting resources converged with growing opportunities for those in politics, government agencies, companies and others to take their messages directly to the public.

Signs of the shrinking reporting power are documented throughout this year’s report. Estimates for newspaper newsroom cutbacks in 2012 put the industry down 30% since its peak in 1989 and below 40,000 full-time professional employees for the first time since 1978. In local TV, a snapshot study reveals, sports, weather and traffic grew to an average of 40% of the airtime on the newscasts studied while story lengths shrank. Across the three cable channels, coverage of live events and live reports during the day, which often require a crew and correspondent, fell 30% from 2007 to 2012 while interview segments, which tend to take fewer resources and can be scheduled in advance, were up 31%. And CNN, the cable channel that has branded itself around deep reporting, produced story packages that were cut nearly in half from 2007 to 2012. Time magazine, the only major print news weekly left standing, cut roughly 5% of its staff in early 2013 as a part of broader company layoffs. And in African-American news media, The Chicago Defender has winnowed its editorial staff to just four while The Afro cut back the number of pages in its papers from 28 to 32 in 2008 to around 16 to 20 in 2012. A growing list of media outlets, such as Forbes magazine, use technology by a company called Narrative Science to produce content by way of algorithm, no human reporting necessary. And some of the newer nonprofit entrants into the industry, such as the Chicago News Cooperative, have, after launching with much fanfare, shut their doors.

This adds up to a news industry that is more undermanned and unprepared to uncover stories, dig deep into emerging ones or to question information put into its hands. And findings from our new public opinion survey released in this report reveal that the public is taking notice. Nearly one-third of the respondents (31%) have deserted a news outlet because it no longer provides the news and information they had grown accustomed to.

At the same time, newsmakers and others with information they want to put into the public arena have become more adept at using digital technology and social media to do so on their own, without any filter by the traditional media. They are also seeing more success in getting their message into the traditional media narrative.

So far, this trend has emerged most clearly in the political sphere, particularly with the biggest story of 2012—the presidential election. A Pew Research Center analysis revealed that campaign reporters were acting primarily as megaphones, rather than as investigators, of the assertions put forward by the candidates and other political partisans. That meant more direct relaying of assertions made by the campaigns and less reporting by journalists to interpret and contextualize them. This is summarized in our special video report on our Election Research. Only about a quarter of statements in the media about the character and records of the presidential candidates originated with journalists in the 2012 race, while twice that many came from political partisans. That is a reversal from a dozen years earlier when half the statements originated with journalists and a third came from partisans. The campaigns also found more ways than ever to connect directly with citizens.

There are signs of this trend that carry beyond the political realm, as more and more entities seek, by various means, to fill the void left by overstretched editorial resources. Business leaders in Detroit, for example, have created an organization to serve as a kind of tour guide to journalists with the goal of injecting more favorable portrayals of the city into media coverage. The government of Malaysia was recently discovered to have bankrolled propaganda that appeared in several major U.S. outlets under columnists’ bylines. A number of news organizations, including The Associated Press, recently carried a
fake press release about Google that came from a PR distribution site that promises clients it will reach “top media outlets.” And recently, journalist David Cay Johnston, in writing about a pitch from one corporate marketer that included a “vacation reward” for running his stories, remarked, “Journalists get lots of pitches like these days, which is partly a reflection of how the number of journalists has shriveled while the number of publicists has grown.” Indeed, an analysis of Census Bureau data by Robert McChesney and John Nichols found the ratio of public relations workers to journalists grew from 1.2 to 1 in 1980 to 3.6 to 1 in 2008—and the gap has likely only widened since.

In circumventing the media altogether, one company, Contently, connects thousands of journalists, many of them ex-print reporters, with commercial brands to help them produce their own content, including brand-oriented magazines. In early March, Fortune took that step, launching a program for advertisers called Fortune TOC—Trusted Original Content—in which Fortune writers, for a fee, create original Fortune-branded editorial content for marketers to distribute exclusively on their own platforms.

Efforts by political and corporate entities to get their messages into news coverage are nothing new. What is different now—adding up the data and industry developments—is that news organizations are less equipped to question what is coming to them or to uncover the stories themselves, and interest groups are better equipped and have more technological tools than ever.

While traditional newsrooms have shrunk, however, there are other new players producing content that could advance citizens’ knowledge about public issues. They are covering subject areas that would have once been covered more regularly and deeply by beat reporters at traditional news outlets—areas such as health, science and education. The Kaiser Family Foundation was an early entrant with Kaiser Health News. Now others, such as Insidescience.org, supported by the American Institute of Physics and others, and the Food and Environment Reporting Network with funding from foundations are beginning to emerge. In the last year, more news outlets have begun to carry this content with direct attribution to the source. The Washington Post, for example, regularly carries articles bylined by Kaiser Health News and NBC.com runs Insidescience.org stories with a lead-in identifying the source.

For news organizations, distinguishing between high-quality information of public value and agenda-driven news has become an increasingly complicated task, made no easier in an era of economic churn.

The State of the News Media 2013 is produced by the Pew Research Center’s Project for Excellence in Journalism. Among the features this year are a special report on changes in television news; a special video report on lessons of the 2012 election; a new public opinion survey on how people get news from friends and family—and what they do next; a special survey on public awareness of the financial struggles facing the industry; a close look at African American news media, and an infographic that visually displays the overview and key trends. The chapters on each sector of the news industry contain two parts, a Summary Essay and a separate section called By the Numbers, where all the statistical information is more easily searchable.
Looking across these chapters, we identify six major trends of the year:

1. The effects of a decade of newsroom cutbacks are real - and the public is taking notice. Nearly a third of U.S. adults, 31%, have stopped turning to a news outlet because it no longer provided them with the news they were accustomed to getting. Men have left at somewhat higher rates than women, as have the more highly educated and higher-income earners — many of those, in other words, that past Pew Research data have shown to be among the heavier news consumers. With reporting resources cut to the bone and fewer specialized beats, journalists’ level of expertise in any one area and the ability to go deep into a story are compromised. Indeed, when people who had heard something about the financial struggles were asked which effect they noticed more, stories that were less complete or fewer stories over all, 48% named less complete stories while 31% mostly noticed fewer stories. Over all, awareness of the industry’s financial struggles is limited. Only 39% have heard a lot or some. But those with greater awareness are also more likely to be the ones who have abandoned a news outlet.

2. The news industry continues to lose out on the bulk of new digital advertising. Two new areas of digital advertising that seemed to bring promise even a year ago now appear to be moving outside the reach of news: mobile devices and local digital advertising. Overall, mobile advertising grew 80% in 2012 to $2.6 billion. Of that, however, only one ad segment is available to news: display. While mobile display is growing rapidly, 72% of that market goes to just six companies — including Facebook, which didn’t even create its first mobile ad product until mid-2012. Local digital advertising, a critical ad segment for news as the majority of outlets cater to a local audience, is also growing — 22% in 2012. But improved geo-targeting is allowing many national advertisers to turn to Google, Facebook and other large networks to buy ads that once might have gone to local media. In addition, Google and Facebook are also improving their ability to sell ad space to smaller, truly local, advertisers, again taking business that once went to local media. It is hard to see how news organizations will secure anything like their traditional share. Google is now the ad leader in search, display and mobile. Once again, in key revenue areas, it appears the news industry may have been outflanked by technology giants.

3. The long-dormant sponsorship ad category is seeing sharp growth. This is one area of growing digital ad revenue where news organizations have taken early steps to move in. Promoted tweets on Twitter account for some of the growth, along with the rise of native ads — the digital term for advertorials containing advertiser-produced stories — which often run alongside a site’s own editorial content. Though it remains small in dollars, the category’s growth rate is second only to that of video. Sponsorship ads rose 38.9%, to $1.56 billion; that followed a jump of 56.1% in 2011. Traditional publications such as The Atlantic and Forbes, as well as digital publications BuzzFeed and Gawker, have relied on native ads to quickly build digital ad revenues, and their use is expected to spread. According to tech website PandoDaily, major publishers including Hearst, Time and Condé Nast are investing in formats to run native ads, as are many newspapers. The development, however, runs the risk of confusing readers about the difference between advertising and news content. In January, The Atlantic found itself rapidly taking down from its website a vaguely identified advertorial from the Church of Scientology, explaining...
afterward: “We now realize that as we explored new forms of digital advertising, we failed to update the policies that must govern the decisions we make along the way. It’s safe to say that we are thinking a lot more about these policies after running this ad than we did beforehand.”

4. The growth of paid digital content experiments may have a significant impact on both news revenue and content. After years of an almost theological debate about whether digital content should be free, the newspaper industry may have reached a tipping point in 2012. Indeed, 450 of the nation’s 1,380 dailies have started or announced plans for some kind of paid content subscription or pay wall plan, in many cases opting for the metered model that allows a certain number of free visits before requiring users to pay. (The trend has also spread beyond newspapers, as highlighted by popular blogger Andrew Sullivan’s recent decision to attach a fee to his site, The Dish.) With digital ad revenue growing at an anemic 3% last year in the newspaper industry, digital subscriptions are seen as an increasingly vital component of any new business model for journalism—though, in most cases, they fall far short of actually replacing the revenue lost in advertising. Thanks in good part to its two-year-old digital subscription program, The New York Times reports that its circulation revenue now exceeds its advertising revenue, a sea change from the traditional revenue split of as much as 80% advertising dollars to 20% circulation dollars. Going forward, many news executives believe that a new business model will emerge in which the mix between advertising and circulation revenue will be close to equal, most likely with a third leg of new revenues that are not tied directly to the news product. The rise of digital paid content could also have a positive impact on the quality of journalism as news organizations strive to produce unique and high-quality content that the public believes is worth paying for. That goal is in keeping with the philosophy of Clark Gilbert, the chief executive of the Deseret News Publishing Company and digital innovator. A staunch advocate of news organizations focusing editorial muscle in key areas where they can bring real value and distinction, Gilbert told the Pew Research Center that in the digital age, news outlets have to be differentiated. “Invest where you can be the best in the world,” he explained.

5. While the first and hardest-hit industry, newspapers, remains in the spotlight, local TV finds itself newly vulnerable. Local TV audiences were down across every key time slot and across all networks in 2012. And the off-peak news hours like 4:30 a.m. that stations had been adding for years seem to have hit their audience ceiling. While local TV remains a top news source for Americans, the percentage is dropping—and dropping sharply among younger generations. Regular local TV viewership among adults under 30 fell from 42% in 2006 to just 28% in 2012, according to Pew Research survey data. What’s more, the topics people go there for mostly—weather and breaking news (and to a lesser extent traffic)—are ripe for replacement by any number of web- and mobile-based outlets. While many stations ramped up their digital news offerings in the past year, they are late to the digital game. Advertising revenues were up for the year, but that was largely due to a windfall of $2.9 billion in political advertising revenue, something that cannot be replicated in non-election years. Over all, average revenue for news-producing stations declined by more than a third (36%) from 2006 to 2011.

6. Hearing about things in the news from friends and family, whether via social media or actual word of mouth, leads to deeper news consumption. A majority of Americans seek out a full news story after hearing about an event or issue from friends and family, a new Pew Research survey released here finds. For nearly three-quarters of adults (72%), the most common way to get news from friends and family is by having someone talk to them—either in person or over the phone. Among that group, close to two-thirds (63%) somewhat or very often seek out a news story about that event or issue. Social networking is now a part of this process as well: 15% of U.S. adults get most of their news from friends and family this way, and the vast majority of them (77%) follow links to full news stories. Among 18- to 29-year-olds, the percentage that primarily relies on social media for this kind of news already reaches nearly one-quarter. And the growing practice of dual-screening major news events adds more opportunity to share news electronically. Friends and family are still just one part of most consumers’ news diets—and a smaller part than going directly to news outlet themselves, as an earlier Pew Research study revealed.
Key Findings

Digital Developments

Digital News Consumption
The clearest pattern of news audience growth in 2012 came on digital platforms, and the proliferation of digital devices in peoples’ lives seemed to be a big part of the reason.

In 2012, total traffic to the top 25 news sites increased 7.2%, according to comScore. And according to Pew Research data, 39% of respondents got news online or from a mobile device “yesterday,” up from 34% in 2010, when the survey was last conducted.1

Some 31% of adults owned a tablet computer as of 2013, almost four times the share recorded in May 2011. Pew Research also found that web-enabled smartphones are even more widespread: As of December 2012, about 45% of adults owned a smartphone, up from 35% in May 2011.

Accessing news is one of the most popular uses for the devices, enabling Americans to get news whenever they want and wherever they might be. An August 2012 Pew Research study found that fully 64% of tablet owners say they get news on their devices weekly; 37% reported they do so daily. The trend is nearly identical for smartphone owners—62% said they consume news on their device weekly, and 36% do so daily.

When it comes to news people hear from friends and family, social media are playing a growing role, especially among young people, according to a Pew Research survey released in this year’s report, though it is still far from replacing traditional word of mouth. Nearly three-quarters, 72%, say the most common way they hear about news events from family and friends is by talking in person or over the phone. But 15% get most news from family and friends through social media sites. And it rises to nearly a quarter among 18-to-25-year-olds. Seven percent do so via email. Either way, the vast majority say they then seek out news stories to learn more.

Digital Economics
Overall digital advertising grew 17% in 2012 to $37.3 billion, according to eMarketer. Digital advertising makes up around 23% of the total U.S. advertising market, up from 20% in 2011. Display advertising (which is made up of banner ads, video, rich

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1. The 39% figure refers to people who got news online or on mobile devices in 2012. The 34% figure from 2010 does not include mobile devices.
Mobile display is also growing, but here again, the big tech firms have swooped in. The top six account for 72% of all mobile display.

One piece of that market that news can exploit is sponsorship advertising, and in 2012, so-called native advertising (a type of sponsorship ad) made headlines. Though it remains small in dollars, the category’s growth rate is second only to that of video: sponsorship ads rose 38.9%, to $1.56 billion; that followed a jump of 56.1% in 2011.

**African American Digital Audience**

Social media in particular may offer new opportunities for African American news media, the ethnic media sector studied as a part of this year’s report. While African Americans still access the internet at lower rates than the white population (70% of African Americans say they use the internet, compared with 81% of non-Hispanic whites), those on the internet are more likely than whites and the population overall to use social networks, according to 2012 surveys from Pew Research. For example, 69% of blacks on the internet use Facebook, compared to 65% of non-Hispanic whites and 66% overall. Twitter has similar usage rates (26% of blacks vs. 14% of non-Hispanic whites and 16% overall), as does Instagram (23% of blacks vs. 11% of non-Hispanic whites and 13% overall).
The fortunes of some legacy media sectors changed direction somewhat in 2012. The network TV audience gains of a year before seemed to be ephemeral. And local TV ratings saw a steep decline after a stable 2011. Newspapers, on the other hand, managed to stem their circulation losses.

The cable figure is based on Pew Research’s analysis of Nielsen Media Research data. It represents the combined median total day viewership (Individuals 2 and older) of CNN, MSNBC and Fox News. The online figure is based on our analysis of the top 25 news sites from comScore. It represents the total unique visitors to the top 25 news websites based on U.S. traffic from 2012 compared to 2011. The network figure is based on our analysis of Nielsen Media Research data. It represents the mean evening news viewership (Individuals 2 and older) of NBC, CBS and ABC. The local TV figure is based on our analysis of Nielsen Media Research data. It represents the average morning news (5-7 a.m. E.T.), early evening news (5-7 p.m. E.T.) and late evening news (6:30-11 p.m. E.T.) combined viewership (Individuals over the age of 2) for ABC, CBS, Fox and NBC affiliates (for the four sweeps measured, February, May, July, November). The magazine figure is based our analysis of circulation data provided by the Alliance for Audited Media. It represents the average overall circulation full year of 2012, compared to 2011, for six news magazines studied: Time, Newsweek, The Economist, The Atlantic, The Week, and The New Yorker. The newspaper figure is based on estimates from the Poynter Institute’s Rick Edmonds, based on data from the Alliance for Audited Media. This year’s figure represents average circulation for U.S. newspapers during a six-month period ending September 30, 2012 compared to the year before. The audio figure is based on survey data from Arbitron. It represents the percent of Americans age 12 or older who said they use or own an AM/FM radio in January 2012.

### Audience

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CNN struggled the most, losing 4% of its prime-time audience, with median viewership levels (626,000) little more than half of what they were four years earlier, a problem that incoming CNN Worldwide president Jeff Zucker began working aggressively to repair when he arrived in January 2013. Fox News Channel was flat in prime time at 1.9 million viewers. MSNBC, now consistently the No. 2 news channel, took in 818,000 viewers in a typical evening, up 6%. It also surpassed CNN for the first time in two key ratings metrics—daytime viewership and total day viewership.

### Audio

In general, listening to content seems to be as popular as ever and accessible in more formats than ever. But the data suggest that in the broader array of audio platforms news is becoming a smaller piece of the pie. A Pew Research study found that one-third of Americans said they listened to news radio “yesterday,” down from more than half of the population in 1990.

Drive-time—once the premier domain of terrestrial radio—is becoming overtaken by mobile devices. The number of cellphone owners streaming content into their cars from their phones has nearly tripled in three years, according to Arbitron. Many of the streaming options do not even include the top-of-the-hour news headlines that air on most AM/FM stations.
Public radio also is undergoing transition as more people adopt mobile technologies. NPR again saw a drop in traditional AM/FM audience, but had big gains in mobile during 2012—more than 3 million new downloads of its news apps, according to data provided by the organization.

News Magazines
All of the major news magazines saw declining audiences in 2012. According to the Alliance for Audited Media, sales of newsstand copies, the measure most accepted by the industry, plummeted 16% on average for the news magazines, roughly two times the 8.2% decline in newsstand sales that the magazine industry suffered over all. Time was the hardest hit, plummeting 27%. Newsweek, on the other hand, declined just 5% in the final year of its print version. Niche publications also saw declines in 2012: 17% at The Economist, 18% at The Week and 12% at The New Yorker. The Atlantic’s 7% drop looked good only by comparison.

Subscriptions were stable, as they have been in years past. But these are normally kept from declining through discounts or special offers. Time was the only one of the six publications to see a drop (1%), the Alliance for Audited Media found.

When subscriptions and newsstand sales are combined into a single circulation number, Time posted a 1.7% drop in 2012 to just under 3.3 million copies. Newsweek appeared to have stopped its five-year slide, keeping its total circulation at 1.5 million copies. The Atlantic enjoyed the largest percentage gain among the six news magazines in 2012, an increase of almost 5%, to 485,000 copies—though it remains the smallest of the group in total numbers.

Network
The out-of-character ratings gains of 2011 were erased in 2012 for network TV news. In the evening, an average of 22.1 million people watched one of the three commercial broadcast news programs on ABC, CBS or NBC, a 1.9% decrease over the average viewership the year before, according to Nielsen Media Research. CBS Evening News was the one evening news broadcast to increase viewership in 2012, but it was still in third place behind NBC Nightly News and ABC World News.

In the morning, an average of 12.6 million viewers tuned in to a network television news program, a decrease of 4% from 2011. NBC’s Today show, long the top-watched morning news show, fell into second place in April 2012 when Good Morning America overtook it in viewership. Apart from ABC’s 20/20 and NBC’s Dateline Sunday, all news magazines lost viewers in 2012.
**Local TV**
Local television news on the air suffered a reversal of fortune in 2012, losing audience in every key time slot, including those hours that gained viewers the year before. The average loss for ABC, CBS, Fox and NBC stations across the three key time slots—morning, early evening and late—was more than 6%.

**African American**
African American magazines had a few bright spots. Johnson Publishing’s Ebony increased 2% in circulation in 2012.

**Very Early Morning News Viewership Grows at Slower Rate**
*In Thousands of Viewers*

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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</thead>
<tbody>
<tr>
<td>Viewership</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
</tbody>
</table>

Source: Nielsen Media Research, used under license
Note: Numbers represent ABC, CBS, Fox, and NBC affiliates. March 2009 ratings are not comparable to the traditional winter sweeps period, February, and are not included here.

**Newspapers**
The nontraditional early-morning news slots grew some but at much smaller rates than a year ago. At 4:30 a.m., viewership increased 13% to 2.6 million, though that was significantly less than the 330% increase the year before. Viewership at 4 a.m. increased by 19% on average, to 200,000. Though these time slots are growing, they attract far fewer viewers than some of the most popular hours for local TV. Late-night news programs, for instance, averaged 24.2 million viewers in 2012.

**Most Black Press Titles Fall in Circulation in 2012**

<table>
<thead>
<tr>
<th>Title</th>
<th>Total Average Paid Circulation for the Six-Month Period Ending September 30</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York Amsterdam News</td>
<td>20,000</td>
</tr>
<tr>
<td>Baltimore Afro-American</td>
<td>15,000</td>
</tr>
<tr>
<td>Washington Afro-American</td>
<td>10,000</td>
</tr>
<tr>
<td>Philadelphia Tribune</td>
<td>5,000</td>
</tr>
<tr>
<td>Chicago Defender</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Alliance for Audited Media for all papers but the Chicago Defender, Annual Audit Report, Verified Audit Circulation (April 1-September 30).
Note: This chart tracks Tuesday's circulation for The Philadelphia Tribune. Total circulation includes educational copies, employee and independent contractor copies and copies provided in retail businesses.

State of the News Media 2013 / www.journalism.org
Financially, the two legacy print platforms—newspapers and magazines—continued to see revenue declines in 2012, while gains in television mask longer-term challenges. And digital experienced weaker gains than in 2011.

The Week, which suffered a 24.5% drop in ad pages. The Atlantic, The Economist and Time all fell about 12%, while The New Yorker managed to keep its ad pages losses in single digits (6%). Newsweek’s ad pages increased for the first time since 2006 (though they still remained below the 2006 level). At least at The Atlantic, though, strong expectations are being placed on digital. Its president, M. Scott Havens, said that in 2012, digital ad revenues bested print ads for the first time ever.

Newspapers
Advertising revenues continued their long slide in 2012, with print revenue dipping under $20 billion, according to figures by the Newspaper Association of America, as well as estimates by Pew Research and the Poynter Institute’s Rick Edmonds. Print ad revenue losses continued to far exceed digital ad gains. The newspaper association figures show that in 2012, for every $16 in print ad revenue lost, only $1 in digital ad revenue was gained. That was even worse than the $10-to-$1 ratio in 2011.

Circulation revenue, though, has remained relatively stable for close to two decades, at around $10 billion in 2011, according to the Newspaper Association of America. Some companies are instituting aggressive newsstand and subscription price increases, losing volume, but adding to circulation revenue.

News Magazines
The print advertising environment for news magazines in 2012 was grim, though for at least some publications, digital ad revenue gained momentum.

Combined ad pages for the six magazines studied in this report were down 10% in 2012, about twice the rate of decline in 2011, according to the Publishers Information Bureau. Hardest hit was

Audio
Election-year advertising dollars kept the AM/FM industry above water in 2012. But this heavy reliance on election spending does not bode well for its overall financial health. News station revenues are not broken out separately, but the total figure speaks to the tenuous health of that sector.

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Source: SNL Kagan, eMarketer, Veronis Suhler Stevenson, Publishers Information Bureau, Newspaper Association of America and BIA/Kelsey
Note: The magazine number represents ad page figures and not ad dollars.
Pew Research Center | 2013 State of the News Media

Cable figures are based on estimated combined ad revenues for CNN, Fox News Channel and MSNBC for 2011 and 2012, provided by SNL Kagan, a division of SNL Financial LLC. Online figures are total online ad revenues, from January to September 2012, compared with the same period in 2011, provided by eMarketer. Network figures are based on revenue estimates for network television ads for 2012, compared with the same period in 2011, provided by Veronis Suhler Stevenson. Radio figures are based on revenues from AM/FM, satellite and online and mobile platforms as estimated for January 2012 to December 2012, compared to the previous year, from Veronis Suhler Stevenson. Magazine figures are based on ad pages sold in 2012—not revenue—provided by the Publishers Information Bureau for six news magazines: Time, Newsweek, The Economist, The Atlantic, The Week and The New Yorker. Newspaper data are from the Newspaper Association of America, with fourth quarter 2012 estimates by the Poynter Institute’s Rick Edmonds and Pew Research. The number includes both print and online newspaper advertising revenue. Local TV figures are based on revenue estimates for local and national spot advertising on local TV for the full year of 2012, compared with the same period in 2011, provided by BIA/Kelsey.
In 2012, total radio revenue in spot, digital and off-air advertising together amounted to $16.5 billion, an increase of 1% over 2011, according to Radio Advertising Bureau. But, even that small gain is deceiving. Spot advertising, which makes up most of overall audio advertising and includes campaign ad buys, held steady at $14.2 billion during 2012, compared with the previous year, according to the Radio Advertising Bureau. In other words, the $1.24 billion in election ad spending offset declines in other sectors, but it won’t be around to do so in 2013. Digital revenues remain the smallest category, but, as in 2011, grew the most, increasing by 8% over the same period of time a year earlier.

**Network**

The three major networks, with their portfolios of entertainment, news and digital properties, experienced some ad growth in 2012. But the broadcast divisions did not fare nearly as well.

SEC filings show that revenues for ABC’s broadcast arm decreased 4% in its 2012 fiscal year. CBS’s entertainment division experienced a growth of 3% over the calendar year. And NBC’s broadcast arm increased its revenues 4.5% in 2012 when not including revenues from Olympic and Super Bowl ads. Network news programs are a subset of broadcast overall revenue, and Pew Research estimates that their revenue tracked closely with that of each broadcast arm. While NBC’s Today show lost in ratings and its newest news magazine floundered in ratings, NBC’s cable news outlets can keep the division aloft. CBS, while having the lowest ratings for both morning and evening news programs compared to the other two networks, is buoyed by its popular prime-time lineup, including the venerable 60 Minutes. And ABC’s success in the morning could influence its future economic outlook. Its first quarter in 2013 showed a strong economic start for the broadcast division.

**Cable**

Revenues rose across the board for cable news channels, though Fox was projected to demonstrate the strongest growth at 11% to $1.8 billion, according to research firm SNL Kagan. MSNBC was up 6% to $443 million. CNN U.S., projected to grow revenues by just 1% to $1.1 billion, seemed to be showing the financial impact of ratings difficulties. Profits were expected to drop at CNN in 2012, while they were expected to grow for the other two channels.

In years past, subscriber and advertising revenue each tended to account for about half of each channel’s total. That has begun to change. In 2012, CNN was projected to have generated nearly two-thirds of its revenue from subscribers, and a growing portion of its revenue from other sources. Fox and MSNBC are both more reliant on advertising than CNN is.

**Local TV**

A flood of political advertising in a presidential election year and a slowly improving economy boosted revenue for local television stations in 2012. BIA/Kelsey estimated local ad revenue at $19.7 billion, up 10% from the year before. Political advertising alone hit a record $2.9 billion, up 38% from 2010 and almost double the $1.5 billion spent on local TV in 2008, according to TVB analysis. Local stations captured over 80% of total political spending on television.

![Political Ad Spending on Local TV Sets New Record](image)

When it comes to digital revenues, the local TV market cooled in 2012, growing just 10%, according to BIA/Kelsey. That is less than half the growth rate of the year before. The typical local TV station makes about 3% of its total revenue from online and mobile ads, according to BIA/Kelsey.

**African American**

Much of the African American newspaper industry struggled financially in 2012. On top of circulation challenges, advertising revenue declines remain a problem. While most of the black press does not report advertising revenue, virtually all of the editors interviewed expressed concerns. Decreased revenue has resulted in staff cuts and reduced publication schedules at many outlets. Several papers even reported that advertisers were not following through with payments...
Content

The Pew Research Center conducted a special study for this year’s edition of the State of the News Media that analyzes changes in the structure and makeup of television news. Following are the highlights of that report.

Cable

The format of daytime cable news has evolved over the last five years to look more like prime-time talk programming. Interview segments are now as prominent in daytime cable as they are in prime time. Coverage of live events and live reports dropped in daytime programming by about one-third—from 33% of the newshole in 2007 to 23% in 2012. And the airtime devoted to interviews—which can cost far less to produce—rose from 39% to 51%, equaling the percentage of airtime they fill on cable at night, when partisan talk and debate drive the programming.

A separate analysis of cable in late 2012 finds that, over all, commentary and opinion are far more prevalent on the air (63% of the airtime) than straight news reporting (37%). CNN is the only channel to offer more reporting (54%) than opinion (46%), though by a small margin. By far the highest percentage of opinion and commentary is on MSNBC (85% to 15% reporting). Fox was in between at 55% commentary and 45% reporting.

Over the years, the three main cable news channels have evolved to become much more similar in programming structure. That marks a major change from 2007 when CNN was distinguished by its emphasis on edited packages and MSNBC spent far more time on interviews than either of its rivals. This convergence occurred after major shifts at all three networks. MSNBC changed its formatting most in prime time, Fox in daytime and CNN changed sharply in both day parts.

According to 2005 data, those packages accounted for 41% of the local television newshole. In 2012, that was down to 33%.

The study suggests that local news has built up a third leg to the two core elements of weather and traffic on local television news. In addition to the more modest increase in the already substantial amount of airtime filled by weather and traffic—from 25% in 2005 to 29% in 2012—the time devoted to sports nearly doubled, from 7% of the newshole in 2005 to 12% in 2012. Thus when sports, traffic and weather are combined, the airtime devoted to these subjects rose from 32% to 40% of local TV newscasts—a 25% increase. Indeed, Pew Research’s examination of 48 evening and morning newscast in late 2012 and early 2013 found that 20 of them led with a weather report or story.

Network News

The one television news platform that seems to be a rock of stability is network news. Despite the steady erosion of the early-evening audience and continuing doomsday predictions about the future, the structure and format of the network newscasts have changed remarkably little since 2007, far less than on cable or local television news.

In 2007, more than three-quarters of the airtime on the nightly newscasts (82%) studied by Pew Research was composed of package reports. Five years later, that percentage had fallen only slightly, to 79%.

Not only was there little change in the reliance on packaged reports, but the length of each of these reports remained remarkably steady. Five years ago, the average package on the evening news lasted 141 seconds. In 2012, that had increased by one second. While a much smaller component of the evening newscast, the length of the average interview dropped only two seconds in the past five years—from 110 in 2007 to 108 in 2012. And the length of an average live stand-up report decreased modestly, from 91 seconds in 2007 to 88 seconds in 2012.
News Investment

News investment encompasses everything from newsroom budgets to staffing to journalistic initiatives. For the most part, the message remains one of resource tightening that goes along with smaller budgets.

And a new survey, special to this report, reveals that the public is noticing an impact on the content—and is beginning to abandon certain news outlets. Nearly a third (31%) of U.S. adults have deserted a news outlet because it no longer provides the news and information they had grown accustomed to receiving. And respondents seem to be noticing erosion in quality of coverage even more than diminishing quantity. Fully 61% said they noticed that stories were less complete compared with 24% who said they noticed fewer stories over all.

Local TV
Staffing levels in the local TV sector were expected to be stable in 2012, perhaps even more so than in 2011, according to a Hofstra University survey. A majority of news directors expected no change in staff size in 2012, while just a third said they anticipated adding more staff, about the same as the year before. And only 2% said they expected to have to cut staff, fewer than the year before.

In programming, more stations began airing news in the very early morning time slots, often a cost-saving move as these extra newscasts require little extra in terms of resources as stories are often repeated. Even so, audience data suggest there may be a limit to the gains that can be found here. Early-morning news was on the air in 113 markets, up from 104 in 2011, according to Nielsen data. The number of stations airing news at 4:30 a.m. was up 14% in 2012 to 245, from 215 in 2011.

Cable
Each of the three main news channels was projected to spend more on the news in 2012, continuing a long and steady upward trajectory that on some level reflects the relative stability of the cable revenue model. Fox continued to outpace the other channels in total spending at an estimated $820 million, up 11% from 2011, according to SNL Kagan. CNN, though no longer

![All Channels Projected to Increase Spending in 2012]

Source: SNL Kagan, a division of SNL Financial, LLC
Note: All figures are estimates.
Pew Research Center | 2013 State of the News Media

the leader, has nearly kept pace with Fox. It was projected to increase expenditures by 5% to $682 million. And MSNBC, which shares newsgathering operations with the wider NBC News, was projected to have spent $240 million, an increase of 8%.

There were some staffing cutbacks at CNN and Bloomberg TV, mostly impacting producers and editors. And while there were several bureau closures and openings, the total number of news
bureaus affiliated with cable news channels did not change in 2012. The greater change may be in the format and the reporting as discussed in the content section of this report.

News Magazines
Faced with that difficult advertising climate, magazines cut jobs aggressively in 2012. Employment at U.S. magazines fell 4%, more than twice the 1.7% decline in 2011, according to Advertising Age’s analysis of recent Bureau of Labor Statistics data.

Perhaps the most salient illustration within the news genre is Newsweek. After the weekly news magazine announced the end of its print edition, its boss, Tina Brown, proceeded to another round of layoffs following those of 2011, leaving only a skeleton staff to put out The Daily Beast and the digital version of the magazine. Other senior staffers, such as managing editor Tom Watson and features editor David Jefferson, also left. Andrew Sullivan, the prolific blogger, announced in January 2012 that he was separating from Newsweek to set up his own paying site.

In January 2013, Time Inc. cut 500 jobs—nearly 6% of its global staff—as part of a mandate from Time Warner CEO Jeff Bewkes to shave $100 million from the publishing unit's annual costs.

Newspapers
With ad revenues 60% of what they were a decade ago, papers have continued to reduce traditional newsroom staff, while expanding only modestly on the digital side. A few have also cut print frequency to three times a week. Employment of full-time editorial staff peaked at 56,900 in 1989. By the end of 2011, the last year for which data are available, employment had fallen 24% from the year before, according to the American Society of News Editors. When figures for 2012 are compiled, newsroom workforce will likely be below 40,000.

Controlling costs, while trying to minimize damage to news reporting and other essential functions, remained a critical component of managing newspapers for profitability in 2012. The industry’s contraction leaves behind excess capacity and other legacy costs to address. Some newspapers are farming out printing jobs, others selling headquarter buildings in favor of smaller offices, and many dealing with underfunded pension plans. Some metro papers continue to voluntarily drop circulation in regions far from their core delivery zone, since delivering far is expensive and yields little revenue.

Network
While all three networks with news divisions went through staffing and management changes, the shifts were most significant at NBC. In June 2012, Savannah Guthrie replaced co-anchor Ann Curry on the Today show. And NBC News division president Steve Capus left the company in early 2013 after significant restructuring there.

ABC shuffled staff in 2012 and introduced some new programming. As a trial, Good Afternoon America aired for nine weeks starting in April 2012. Some of the more significant staff changes at the network involved journalists who made the jump from broadcast to cable. In 2012, White House correspondent Jake Tapper and 20/20 co-anchor Chris Cuomo both left for CNN.
According to Arbitron’s latest available data (2011), 37 stations self-identified as all-news, up from 30 in 2009.

And on CBS, a new morning show rolled out, resulting in a number of personnel changes. CBS This Morning debuted with co-anchors Charlie Rose, Gayle King and Erica Hill in January 2012. In August, CBS pulled Hill from the anchor desk and put the network’s chief White House correspondent, Norah O’Donnell, in her place.

African American

African American newspapers continued to face economic constraints, and in sectors where there was growth, little of it was news-based. The Chicago Defender cut back from four days a week to one day a week in 2008. Then, in October 2011, it laid off its only two editors left. It later hired back one of those editors in 2012. The Afro-American cut back its operations to four days a week in 2010 and chose to not rehire for positions where staff members left. Tied to these financial challenges, the number of pages in the Afro has been on the decline: The Afro papers ran 28 to 32 pages on average in 2008 and are now down to 16 to 20 pages.

On television, several new channels emerged in 2012 geared toward a black audience—but little or none of their content was news-related. Despite the fact that 69% of African Americans said they watched television news “yesterday” in a Pew Research survey, little black-oriented news programming is available on TV. In 2012, BET launched a new news program and it and TV One both aired special election-related programming. But of the several new cable and multicast channels that went on the air, none provided much in the way of news.

Audio

The number of radio stations that categorize themselves as all-news is small, but stable. According to Arbitron’s latest available data (2011), 37 stations self-identified as all-news, up from 30 in 2009.

While NPR lost on-air listeners and Web traffic in 2012, the organization’s audience data suggest that NPR’s investment outside of traditional AM/FM radio may yet pay off. NPR created a special news app team to figure out how to make the organization’s reports more interactive and data-driven. Its news apps attracted 3.4 million visitors on average per month in 2012.

Few U.S. Cities Support All-News Radio Stations

Cities with All News Radio Stations Broadcasting in the United States

<table>
<thead>
<tr>
<th>City</th>
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<tbody>
<tr>
<td>Erie, Pa.</td>
</tr>
<tr>
<td>Sunbury-Selinsgrove-Lewisburg, Pa.</td>
</tr>
<tr>
<td>Houston-Galveston, Texas</td>
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<tr>
<td>San Francisco-San Jose, Calif.</td>
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<tr>
<td>Ft. Myers-Naples-Marco Island, Fl.</td>
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<tr>
<td>New York, N.Y.</td>
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<tr>
<td>Chehalis, Wash.</td>
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<td>Springfield, Mo.</td>
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Source: Arbitron
Pew Research Center | 2013 State of the News Media
Ownership

The year 2012 was one of consolidation in the TV sector, impacting local, network and cable television news. And a number of newspapers and magazines changed hands over the course of the year, though the dollar amounts of those deals tended to be smaller than in years past.

Local TV
In 2012, some big owners of TV stations got bigger. Sinclair, which already owned the most local stations of any group, acquired six more from Newport Television for $412 million. The No. 2 ownership group, LIN Media, paid $330 million for 13 New Vision stations. And Nexstar jumped to third place, picking up a total of 17 stations from two sellers. Large single-station sales were the exception in 2012. In the only deal of note, Landmark Media sold its station in Nashville, CBS affiliate WTVF, to Journal Communications for $215 million. Nevertheless, several station groups were exploring sales early in 2013. Fisher Communications, Barrington Broadcasting and the Communications Corporation of America, with a total of 70 stations, were reported to be on the block.

Network
Comcast continued to consolidate its control over NBCUniversal. In February 2013, the cable giant bought General Electric’s 49% stake in NBCU—which includes the network news division along with cable properties such as MSNBC and CNBC—about a year earlier than industry experts had expected. This means that Comcast is the sole owner of NBC, instead of just owning a majority of the network.

The move by Comcast echoed its July 2012 purchase of Microsoft’s stake in MSNBC.com to give Comcast sole ownership. In a coinciding branding shift, MSNBC.com became NBCNews.com, and in early 2013, MSNBC.com re-emerged as a site just for the cable channel. Comcast now owns the entire digital business of NBC News.

Cable
Aside from the structural changes at MSNBC brought about by Comcast, the most significant ownership development in cable news came when Rupert Murdoch announced in December 2012
[Warren] Buffett is leading a swing of informed opinion coming to the view that, especially at mid-sized and smaller papers, print editions have legs, and those organizations can stay profitable.

that his company, News Corp., would split into two entities. The move effectively quarantined the struggling publishing properties under the company’s old name, while showcasing its cable and broadcasting entities— including Fox News Channel and Fox Business Network— under the new name, Fox Group.

And in January 2013, the Qatar-based news organization Al Jazeera purchased the struggling domestic news channel Current TV for about $500 million in an effort to establish its brand on U.S. cable. The sale marked the end of attempts by Current owners to gain traction with audiences by occupying an editorial niche to the left of MSNBC.

News Magazines
In mid-February 2013, Time Warner entered discussions to sell the majority of its magazine unit to Meredith, not including its flagship title, Time. In March 2013, Time Warner announced it would spin off Time Inc. into a separate publicly traded company, ending its negotiations with Meredith.

In the consumer magazines sector, 43 acquisitions were announced, according to the Jordan, Edmiston Group, compared to 32 in 2011. However, the total value of these acquisitions—mostly small publishing companies and individual magazines—was only $277 million, compared with $3.2 billion the year before.

Newspapers
Although the prices are low, newspapers coming onto the market are finding buyers. Most notably in 2012, influential value investor Warren Buffett bought his hometown paper, The Omaha World Herald, all of Media General’s 63 dailies and weeklies (except for The Tampa Tribune and its weeklies), and, in early 2013, several more. Buffett is leading a swing of informed opinion coming to the view that, especially at mid-sized and smaller papers, print editions have legs, and those organizations can stay profitable. Real estate mogul Douglas Manchester bought The San Diego Union Tribune and has used its editorial and news columns to espouse a conservative, pro-development agenda. In July, Aaron Kushner, a former greeting card executive, bought The Orange County Register in California and six other Freedom Communications papers. A local investor group completed acquisition of The Philadelphia Inquirer and The Philadelphia Daily News for $55 million in April. That gave the papers its fifth owner in six years and the sales price was about a tenth of what another local group headed by Brian Tierney had paid in 2006.
Special Report
Public is Little Aware of Industry’s Financial Struggles; Takes Notice of Content Cutbacks

Faced with shrinking revenue and dwindling audiences, news organizations in recent years have slashed staffs and reduced coverage. Most news consumers are little aware of the financial struggles that led to these cuts, according to a new survey released in the State of the News Media 2013 report. Nevertheless, a significant percentage of them not only have noticed a difference in the quantity or quality of news, but have stopped reading, watching or listening to a news source because of it.

Public Notices Effects of Newsroom Cutbacks
Fully 60% of the American public have heard little or nothing about the news industry’s financial struggles. And 31% of people say they have deserted a particular news outlet because it no longer provides the news and information they had grown accustomed to. And those most likely to have walked away are better educated, wealthier and older than those who did not—people who tend to be most prone to consume and pay for news.

Quality vs. Quantity
To gauge the public’s view of how the financial travails have affected news coverage, the survey asked people whether they thought news stories were less complete than they used to be or whether there simply were fewer of them. Fully 48% of respondents said stories are not as thorough as they were before, while 31% said stories are fewer. The sense that thoroughness was a bigger problem than the quantity of stories carries across all demographics, though it was more pronounced among Republicans, Independents and Southerners and less so among Democrats and Midwesterners.

Quality of Coverage Seen as a Bigger Impact than Quantity
Percentage of U.S. Adults Who Have Heard at Least a Little About the News Industry’s Financial Struggles

- The stories are less complete: 48%
- There are fewer stories: 31%
- Don’t know/refuse/other: 10%
- Neither: 6%
- Both/equal effect: 5%

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State of the News Media 2013

Visit www.stateofthemedia.org for a comprehensive analysis of the health and status of American journalism. This year’s report includes:

- The digital developments that shaped the news business in the last year
- How the TV news landscape has changed in recent years
- How many news consumers have heard about the financial struggles of the news industry
- How people get news from friends and family
- An infographic of key themes from the report
- A detailed analysis of audience, economics, news investment and ownership in the seven main media sectors
- A look at how African American-oriented news media fared in the past year

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