

Extra Feature Story

Economy, Online Trends Threaten Newspaper Industry,

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Newspapers have long been a valued facet of American life. Although early versions were more political opinion papers than what we think of as newspapers, Thomas Jefferson believed that they helped create the informed public necessary for a healthy democracy.

In 1787, he wrote to his friend Edward Carrington:

"Were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to choose the latter. But I should mean that every man should receive those papers, and be capable of reading them."

Newspapers are looking like an "endangered species"

Newspapers that flourished for over a hundred years are now going out of business. In March 2009, the 146-year-old Seattle Post-Intelligencer put out its last print edition and Denver's Rocky Mountain News shut down its presses after close to 150 years of putting out a daily paper.

The latest big newspaper in trouble is the largest in New England – The Boston Globe.

Although unions representing the paper's employees reached a tentative deal with its parent company, the New York Times Co. (which also publishes the New York Times), to cut wages and other benefits, the newspaper is still losing money.

Other large newspapers have closed, gone to an online-only format, or are in bankruptcy.

In a recent Senate hearing about the troubled industry, Massachusetts Senator John Kerry said "newspapers look like an endangered species."

"As a means of conveying news in a timely way, paper and ink have become obsolete, eclipsed by the power, efficiency and technological elegance of the Internet," Kerry said.

Newspapers are having trouble adapting to the Internet

Even before the recession started in 2007, the newspaper industry was losing readers and losing money.

In 2005, the president of Sports Illustrated told his employees that "print is dead," according to a Washington Post article.

A recent Pew Institute study found that in 2009, the Internet was the second most used medium for national and international news, surpassing print news for the first time.

One problem for newspapers is figuring out how to make money from online content. People have to pay for print newspapers, but online ads are the only method that most newspapers have to support online views.

Thus far, online advertising is not enough to support the reporters, editors and expenses of professional journalism.

"I don't think we know what the model is going to be," Iberto Ibarguen, CEO of John S. and James L. Knight Foundation and former publisher of the Miami Herald, told the NewsHour.

"What I think we do know is that it's going to be digital; it's probably going to be mobile; and it is certainly going to be interactive."

Other newspaper executives are still confident that traditional newspapers will continue to stick around.

"More than 100 million adults in the United States read a printed newspaper every day — more than watched the Super Bowl. As troubled as the U.S. economy is, if 100 million consumers want and use something, that product usually doesn't go away," Gary Pruitt, CEO of the newspaper company McClatchy Co., said at a newspaper conference in April.

What about a new way to read news?

One alternative to printing newspapers and delivering them, aside from making them available online, is to make them available on hand-held devices people could read at the kitchen table.

Amazon.com recently released a device called the Kindle DX that is less than 10 inches tall and one-third of an inch thick and costs \$500 dollars. It is larger than the original Kindle.

The Kindle can display books and newspapers on its large screen. And Amazon has made a deal with the Washington Post and the New York Times to give people a discount on the device if they sign up for a Kindle subscription to one of their newspapers.

This e-reader idea could save newspapers a lot of money in newspaper print and delivery costs, but it remains to be seen if e-readers become popular, or if consumers are willing to pay subscription fees.

-- Written by Quinn Bowman for NewsHour Extra

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