

# THE FUTURE OF LOCAL JOURNALISM

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In this election season, when our nation finds itself more polarized than ever, drowning in misinformation while a bloated federal government and multinational corporations increasingly seem to control every aspect of individual life, at a time when the ability of the American people to govern themselves is under attack like never before, it is worthwhile to ask who has done the most harm to our venerable 248-year-old democratic republic. Is it a foreign enemy undermining our capacity for self-determination? [Show slides of Vladimir Putin, Xi Jinping, Kim Jong Un] Or perhaps the biggest threat to our democracy lies within our own political system? [Show slides of Biden, Trump] Or perhaps it is the malign influence of mega-wealthy millionaires seeking to manipulate and control the mind of our nation for their private economic gain? [Show slides of George Soros, the Koch Brothers, Taylor Swift.]

But while all these have their role to play in our current crisis, might I suggest another person as the one who has done the most to damage the foundations of our free, open, and democratic republic? [Show slide of Craig Newmark without identification.] Yes, this man is the enemy of American freedom and the biggest threat in our nation's history to its foundation, solid investigative local journalism: Craig Newmark. Now, of course, I jest in this characterization of Mr. Newmark, who I am certain is a fine person—any lawyers for Mr. Newmark should note that my comments fall under satire

and are therefore constitutionally protected--and with his wealth Mr. Newmark has actually donated hundreds of millions of dollars to support journalism as a profession and an industry. Perhaps this is only just, though, since--by no intention of his own--his greatest accomplishment and the source of his wealth has actually done more than any other single event to undermine local journalism in our country. Yes, Mr. Craig Newmark, billionaire philanthropist, is also the founder of Craigslist. [Show second slide with identification.] And his creation, unintentionally but also undeniably, has eroded the economic foundations that for over two centuries made local newspapers the immune system of American democracy.

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As America approaches its semiquintecentennial in 2026, celebrating the 250th anniversary of the signing of the Declaration of Independence and the founding of our great nation, it is important to remember that local newspapers—which, with all due respect to television stations I consider practically synonymous with local journalism since they alone have the ability to do mass-distribution, long-form investigative writing—are built into the DNA of American democracy. Indeed, the infant nation was swaddled in the pages of local newspapers. Founding Father Benjamin Franklin made his career as a journalist, founding the *Pennsylvania Gazette* in 1728 at age 23, and at age 61 founded the *Pennsylvania Chronicle* that became one of the earliest voices of anti-British sentiment in the American colonies. (In the late 1760s it attacked the Stamp Act for imposing “taxation without representation” and then in 1773 provided coverage and public support for the Boston Tea Party that many historians mark as the beginning of the American Revolution.) [Show slide of PA Chronicle.] In the quarter-millennium since

then, local journalism has been the great mainstay and pillar of civic democracy and an informed citizenry to exercise control over their governments and industry to seek the public good. While we often think of editorial cartoonist Thomas Nast taking on the corrupt Tammany Hall in Chicago in the 1870s in the pages of *Harper's Weekly* magazine [show cartoon slide], it was the (still local) *New York Times* that published the financial records that led to Boss Tweed's arrest and imprisonment [show NYT slide]. A century later, the events that led to the Watergate Scandal that culminated in the resignation of a sitting president, would have passed largely unnoticed were it not for the investigative coverage by the still rather provincial *Washington Post*. [Show first Watergate slide of Hoffman and Redford, then real photo.] Closer to home, in 1986, Larry Hayes, David Berry and Barbara O. Morrow of the Fort Wayne *Journal-Gazette* were nominated for a Pulitzer Prize for a series of editorials defending busing to achieve racial integration in our schools. Whether exposing malfeasance in government, revealing corporate abuse of the public trust, or chronicling social ills that threaten the health and human flourishing of the public at large, the free and unfettered local press that the First Amendment was expressly designed to preserve has been an indispensable instrument for maintaining a healthy political order and fighting corruption and abuse of power.

The arrival of Craigslist in 1995 quickly changed all this. Started as an email distribution list to his friends in San Francisco to advertise local events and, in his words, "cultivate a bit of community," Craigslist quickly went viral. Within a year it began posting classified advertisements serving the Bay area. By 2000 Craigslist had become so successful—and the internet so pervasive—that it began to push into other major

metropolitan areas, and by the mid-2000s had established itself across the country as an exceedingly quick, easy and effective way of communicating about events, advertising for job openings, and listing items for sale quickly, efficiently, and cheaply (if not for free). I recall in the late 2000s needing a bed for my daughter and, having heard of this Craigslist thing, going to website and quickly finding one available for a great price and picking it up that afternoon. When I moved a couple of years later, I sold several pieces of furniture the same way, getting some easy pocket cash without having to even pay for listing the item (since it was free in addition to being incredibly easy). I have also been told that Craigslist discovered the appeal of internet personal ads for people seeking to meet other people (and I'll leave it at that) which quickly transformed social intercourse in our country. By 2010 Craigslist had some 50 million unique monthly page visits in the United States alone and was also present in some 70 other countries. While it has since fallen a bit from public consciousness for many of us, Craigslist remains one of the top 20 websites in the United States and the world today.

While Craigslist is perhaps a paradigm example of how technology and entrepreneurship can transform the marketplace and unsettle long-established industries, in this case the victim of innovation was the medium that had dominated commercial advertising, and especially classified ads by individuals, for over two centuries: local newspapers. The effects have been dramatic. While the free press is an indispensable pillar of American democracy, running a local newspaper is anything but free and requires a considerable amount of capital and revenue to handle the enormous costs of reporting, production and distribution on a weekly and especially a daily basis. To cover these expenses and make a newspaper profitable and therefore economically

sustainable, from their very beginning American newspapers have relied upon paid advertisements to help cover their expenses since subscriptions and sales cannot hope to pay them all. It is significant and not at all accidental that the newspaper that helped light the fires of the American Revolution was not just called the *Pennsylvania Chronicle* but rather the *Pennsylvania Chronicle **and Universal Advertiser***. Craigslist called that model into question.

Publishers' responses to Craigslist only exacerbated the negative effect of this "disruptive competitor" on the newspaper industry. One study of the impact of Craigslist's entry on local US newspaper business models showed that only a few months after Craigslist began establishing itself in metro areas in 2000, newspaper publishers reacted by lowering their classified rates by 20 percent to protect their ad revenue. But you can't compete with free, and increasingly the classified advertising market migrated from the print medium to the instantly searchable and infinitely cheaper internet forum of Craigslist. As a result, between 2000-2007 the same study estimates that consumers saved \$5.4 BILLION DOLLARS by switching from local newspapers to Craigslist for their classified advertising needs.

The study found that within two years of Craigslist entering a metro area, its newspapers—now with even fewer subscribers—were typically forced not only to lower classified ad rates, but also those for the higher-priced display advertising rates, precipitating an even greater drop in newspaper revenue. Between 2005 and 2022, according to the Pew Research Trust, advertising revenue for newspapers across the country tumbled from almost \$50 Billion dollars to less than \$10 billion dollars, A MORE

THAN 80% DECLINE IN NON-INFLATION-ADJUSTED DOLLARS. Just consider what the decline is when inflation is figured in. [Show revenue slide.]

To compensate for their losses in classified advertising, publishers raised their subscription prices. This in turn caused their total circulation to tumble, and between 2000 and 2022 the total circulation of daily newspapers in the United States tumbled from over 55 million to around 20 million – AN ALMOST 2/3 DECLINE IN JUST OVER 20 YEARS. Reinforcing the vicious spiral, this decline in circulation has further undercut the ability of local newspapers to charge premium rates for advertising that reached a shrinking audience. [Show circulation slide.]

Given the rapid declines in revenue and circulation, it is not surprising that over the past generation local newspapers have been closing at an alarming rate. Since 2005, a total of 2900 newspapers (dailies and weeklies) have ceased publication in America. In 2023, 2.5 local newspapers closed every week. The dire news continues: By the end of this year, researchers claim, the US will have lost more than a third of the newspapers it had in 2005. More than half of US counties now have “limited access to reliable news and information,” 200 US counties have no news outlets, and 1,562 other counties have only one. In Indiana, we currently have only 133 newspapers, split almost evenly between dailies and weeklies. However, six Indiana counties have no news outlet, and 46 counties have only one. [Show number of papers slide.]

As a result of the sharp decline in revenue, circulation, and the number of newspapers in our country, the profession of print journalism has seen a catastrophic collapse. Journalists are an indispensable part of our social and political order, doing the hard work of rooting out government corruption, corporate malfeasance, and also just

chronicling the life of our community and connecting people with one another through a million different tiny stories and sentences in papers. Because of the profound changes in the newspaper industry, their numbers have continued to collapse. In the past fifteen years, newspaper employment has decreased by more than 70 percent, with 43,000 fewer journalists during that same period. [Show employment slide.] In 2023, the US news industry lost nearly 2700 positions. According to Chicago-based firm Challenger, Gray & Christmas, over 3100 cuts in news have been announced through August of this year alone. While approximately 6000 newspapers remain in business across the country, most of these (4,790) are weeklies, and two thirds of those are owned by chains which provide no local reportage whatsoever but simply pull stories from wire services or from other local sources—so-called “ghost” newspapers with no local journalists whatsoever. In short, they are advertising circulars masquerading as newspapers.

The results for our society and our communities is disastrous. Not surprisingly, caused no doubt in part by these industry trends but also by a massive cultural shift to digital media, Americans’ attention to local news has also decreased significantly. The Pew Research Center reports a continued decline in attention to local and national news: While in 2016, 78 percent of those surveyed either very closely or somewhat closely followed local news, in 2024 only 66 percent did so; those who very closely or somewhat closely followed national news dipped from 77 percent in 2016 to only 68 percent in 2024. When asked about the importance of local news, the majority still say it is at least somewhat important. However, the numbers are telling: 15 percent stated it

was not too important or not at all important, and only 12 percent believe it is extremely important. [Show both public interest slides.]

Given all this, it is fair to ask: Is there a future not only for local journalism but also for the thriving and informed communities which it helps create and sustain? I believe the answer is a qualified YES. [Show sunrise slide.] Despite the negative trends in newspaper publishing since 2000, hope remains. Northwestern University's Medill School of Journalism, which provided in its State of Local News report many of the depressing statistics I've just given, has started the Medill Local News initiative, a series of programs to help sustain local news. One such recent initiative is the creation of the Medill Illinois News Bureau, in which graduate and undergraduate journalism students will cover state legislature and government agencies and provide content to nearly 700 local news outlets in Illinois and border state cities.

Report for America is a national nonprofit service program launched in 2017 that places journalists in local newsrooms with urgent gaps in coverage by subsidizing the salaries of journalists who work for these papers. This past year the program fielded 248 corps members in 198 newsrooms across the country who produced over 19,000 stories. Likewise, the American Journalism Project, founded in 2019, is the first venture philanthropy devoted to nonprofit local news. Believing that local news is our most trusted source and is needed to provide a shared understanding of what is happening locally, demanding accountability from our government, business, and community leaders, and connecting us to our communities and neighbors, the American Journalism Project provides grants to nonprofit news organizations partners with communities to launch new ones. The non-profit news organization Free Press Indiana, sponsored by



the American Journalism Project, was established to fill information gaps in Indiana. In December 2023, it launched its first newsroom, Mirror Indy, which focuses on community-oriented reporting. It also began Indy Documenters, a program to train and pay local residents to cover local document meetings.

More locally, Fort Wayne is blessed to have a relatively robust and highly engaged local paper, the Journal-Gazette, which serves our fifteen-county region. I have no ownership interest in the paper but as a member of our local community believe it serves us very well in a time of economic trials for its industry and straightened constraints that make its continued existence and effectiveness less certain than any of us would like. (Its decision to move to a six-day a week schedule with a weekend edition in the past two years is evidence that it is not immune from the struggles of the wider industry.) I can honestly say that our paper invests in our community to provide coverage of civic, cultural and political events that keep Fort Wayne a thriving and growing community. The economic vitality and growth we have seen over the past fifteen years has many factors, but the Journal-Gazette is certainly a cause as well as a benefactor of it.

As regards smaller, more rural newspapers, the News-Banner serving Bluffton and Wells counties is one of the few family-owned local newspapers left in the industry but continues to do great work serving its community and investing in the sort of journalism that keeps smaller towns alive. Speaking with George (Chairman) and Dianne (Treasurer) Witwer, they explained that rather than participate in a race to the bottom they have continued to invest in journalism and real coverage of their communities, raising subscription prices to help fund it but then providing the value that

their customers look for in a paper. As a result, the News-Banner has continued to be a vital part of their community and find what seems to be (so far) a sustainable path to the future. In that respect, they are a smaller version of the Journal-Gazette.

In closing, local journalism, and most especially local newspapers, have been an integral part of the fabric of American society since its very beginning as a nation. While globalization in the world economy and the digital transformation of our society in the 21<sup>st</sup> century have placed unprecedented strains on the newspaper industry, in our region we see signs of hope that the broadsheets (oftentimes viewed on smartphones) that chronicle our lives and inform us of the most important events of the day will continue to serve Northeast Indiana into the foreseeable future. [Show Franklin slide.] After the Constitutional Convention, Benjamin Franklin, being asked whether they had created a republic or a monarchy, famously said, "A democracy, if you can keep it." This revolutionary newspaper man also news the importance of local journalism in making that happen. Let us all give thanks for the good work our local newspapers are doing in Fort Wayne, and support them as we can I continuing that work, for our own good and that of generations to come.