

Under Weight of Its Mistakes, Newspaper Industry Staggers

By Howard Kurtz Washington Post Staff Writer Sunday, March 1, 2009; A04

Denver Mayor John Hickenlooper recalls getting "a feeling in the pit of my stomach" when he learned that the Rocky Mountain News was shutting down.

"Even when they were uncovering corruption in the city, even when they were embarrassing us or causing us discomfort, they were making the city better," he says. "It's a huge loss."

The grim echoes of the nearly 150-year-old paper's demise Friday could be heard in newsrooms and communities across the country. Although the Denver Post will still cover Hickenlooper's region, some cities -- most notably San Francisco -- are facing the prospect of life without a major newspaper. Others, from Philadelphia to Chicago to Minneapolis, have watched their papers slide into bankruptcy, while still others are being served by dailies with newsrooms that have shriveled by half.

Why a once-profitable industry suddenly seems as outmoded as America's automakers is a tale that involves arrogance, mistakes, eroding trust and the rise of a digital world in which newspapers feel compelled to give away their content.

"Most of the wounds are self-inflicted," says Phil Bronstein, editor at large of the San Francisco Chronicle, which Hearst Corp. has threatened to close unless major cost savings are achieved or a buyer is found. Rather than engage the audience, he says, "the public was seen as kind of messy and icky and not something you needed to get involved with."

As the newsroom staff has shrunk from 575 when Bronstein took over as editor in 2000 to 275 now, "it's objectively true that there's less in the paper," he says. "You can't deny a loss is a loss."

Tom Fiedler, the Miami Herald's former executive editor, says if that paper folds -- McClatchy Newspapers is looking for a buyer -- "nobody else will step in and do the occasionally extraordinary reporting that newspapers do. The difference that a good newspaper makes to the quality of life in any community is vital. It's like a healthy heart."

Fiedler, now dean of Boston University's College of Communication, says the Herald's newsroom staff has dwindled from about 420 to 260 in nine years. "My fear is that newspapers will become what local television became a long time ago," he says. "When there's yellow tape around it or the county commission meets to take a vote, we'll cover it."

At a time when such companies as General Motors, Home Depot and Citigroup are ordering mass layoffs, the loss of 12,000 newspaper jobs last year may seem small. But the industry's woes -- plunging advertising revenue, declining circulation and burgeoning high-tech competition -- seem to be worsening by the week. And that has critics questioning why newspaper companies didn't adapt to the Internet more quickly.

"Years ago," says Jeff Jarvis, a blogger who has worked for the Chicago Tribune, the San Francisco Examiner and the New York Daily News, "why didn't we take more aggressive action and use the power of our megaphone to promote the product and change the organization?" The answer is that newspapers were "a cash cow," he says. "We thought too much about trying to preserve what we had."

The last big wave of newspaper consolidation took place three decades ago, eliminating such names as the Washington Star, the Philadelphia Bulletin, the Chicago Daily News and the Los Angeles Herald-Examiner and leaving most cities with one highly profitable paper. Now, with a number of major papers up for sale, industry analysts say the recession has all but eliminated willing buyers.

New-media enthusiasts say newspapers, saddled with costly printing presses and delivery trucks, are not irreplaceable. But Josh Marshall, whose Web site, Talking Points Memo, has six reporters -- and plans to hire more -- does not minimize the loss of dailies.

"If all the big papers disappeared right now and we replaced them with 50 TPMs, it wouldn't come close to doing the job," he said. "But we're in a broader transformation where models like ours and others are going to evolve that can fill the void."

For now, though, most original reporting is provided by newspapers.

"If you don't have people out working as full-time reporters, there's this category of information that's not going to appear magically out of nowhere," said Nicholas Lemann, dean of Columbia University's School of Journalism, who argues that papers made a mistake by giving away their wares online. "In a world where all content is free, original newsgathering doesn't happen. We really need to face up to the fact that this is going to be lost."

On Friday, Hickenlooper, a Democrat who rode the Rocky Mountain News's endorsement to the mayor's office, visited the tabloid to say goodbye. He recalls an investigation by the newspaper that showed Denver's high school graduation rate was far lower than official statistics indicated. "They did cutting-edge coverage," he said.

Although E.W. Scripps Co. said three months ago that it might pull the plug, the Rocky's death still came as a shock. "A great watchdog is dead. . . . More stories will go untold," reporter Laura Frank told Columbia Journalism Review.

Longtime subscriber Harry Punceck, 68, told the newspaper that the shutdown was "like losing a relative." Another reader, Randy Brown, 56, who had tried to warn police about the Columbine High School killers, said: "Your newspaper made a heck of a difference in our lives . . . getting the truth out."

But most younger people lack such emotional attachment to their newspapers, and partisans on the left and the right call the coverage biased. With the old business model crumbling, some analysts say newspapers must find a way to charge for online content -- perhaps through "micropayments" of the kind popularized by iTunes, which offers songs for downloading at 99 cents apiece. Others say papers must go the nonprofit route, relying on donors to raise endowments, much like universities.

Private owners, freed from the short-term pressures of Wall Street, were once seen as potential saviors. But that was before the debt-laden Tribune Co. filed for bankruptcy in December, a year after being bought by Chicago real estate mogul Sam Zell, and before Philadelphia Newspapers LLC, which was bought by public relations executive Brian Tierney in 2006 and which owns the Inquirer and the Daily News, did the same last week.

Newspapers are killing sections and closing bureaus, particularly in Washington. The Detroit News and the Detroit Free Press have cut back home delivery to three days a week. The Washington Times has dropped its Saturday print edition. The Christian Science Monitor is switching to Web-only publication in April. Gannett Co., publisher of USA Today, is forcing staffers to take a week-long furlough. Hearst plans to close the Seattle Post-Intelligencer unless it gets a buyer.

The country's biggest papers have struggled as well. The New York Times has borrowed \$250 million from a Mexican financier at 14 percent interest, eliminated its quarterly dividend last month to conserve cash and folded its Metro section into the paper. Rupert Murdoch's News Corp., which bought the Wall Street Journal in late 2007, has taken a roughly \$3 billion write-down on the value of its newspaper unit, which includes the New York Post. Newsday is drawing up plans to end free access to its Web site.

The Washington Post, whose earnings dropped 77 percent in the fourth quarter of last year, has undergone three rounds of buyouts, killed its Sunday Source section and folded Book World as a separate section. Executive Editor Marcus Brauchli, who is merging the downtown newsroom with the Arlington-based Web operation, has cited the need to cut costs and focus on the core areas of the paper's coverage.

And on Friday, the American Society of Newspaper Editors canceled its convention, saying too many members planned to stay home.

Determined to adapt, newspapers are adding blogs, podcasts, online chats and contributions from local citizens. The New York Times will launch two Web sites tomorrow aimed at five communities in Brooklyn and New Jersey. The Post launched a similar "hyperlocal" site for Loudoun County in 2007.

Some newspaper executives say Google is eating their lunch by appropriating their content. But Jarvis, author of the book "What Would Google Do?," says the software giant is adding to newspapers' value by linking to their stories. "Google is the new newsstand," he says.

Jarvis, who now reads the New York Times on a Kindle electronic device during his subway commute, says print publications are the past. "Paper has become the comfort blanket for newspeople, and it's time to snatch the blanket out of the kids' hands," he said.