

AS OLD MEDIA STRUGGLES, OPPORTUNITIES IN NEW MEDIA EMERGE

By Jon Whiten

You no longer have to be a media insider relentlessly checking Jim Romensko's media news blog to understand that the news media industry is struggling. Over the past few years, we've seen bankruptcies, newspapers and magazines closed, and countless layoffs. On her excellent Paper Cuts blog, Erica Smith estimates the number of layoffs and buyouts at American newspapers between July 2007 and today at 31,425.

And while the industry's nosedive has coincided with the global economic downturn, the media's problems are far greater than one recession might produce. The industry has to struggle with the evolving media landscape and the continual encroachment of digital technology, much of which cuts into profits traditionally reserved for the mainstream—and alternative—media.

The federal Bureau of Labor Statistics' job growth estimates bear this point out. In the bureau's most recent occupational outlook handbook, the job category "news analysts, reporters, and correspondents" is expected to grow just 2 percent between 2006 and 2016. That's at the same time that the number of job seekers will undoubtedly continue to increase. But in the "financial managers" sector, which has certainly taken a hit in the last few years as Wall Street jobs have evaporated, there are expectations of growth by about 13 percent over the same period.

Here in New York, where the overall media industry employs more than 300,000 workers (nearly 10 percent of the city's private workforce), the *New York Sun* ceased publication in September 2008;

The New York Times has cut hundreds of jobs and reduced salaries; countless magazines have folded and there is an air of gloom hanging over much of the industry.

But all is not lost. Many forward-thinking writers, editors, tech geeks and publishers are quickly adapting to changing circumstances, with some actual success.

Take the SoHo-based *Huffington Post*, for example. The website, which was launched in May 2005 with a staff of “half a dozen,” has grown to employ more than 50 people. HuffPo’s success, it could be argued, has stemmed from its decision in 2006 to move the focus from aggregating the opinions of public figures to employing actual journalists to do original reporting. (Former *Newsweek* editor Melinda Henneberger was the first such hire in November 2006.)

Since then, the site’s traffic has grown from about 2.3 million visitors per month to more than 7 million unique visitors per month. With the increased traffic, the site has been able to raise additional venture capital, and—most importantly for this discussion—hire more journalists. The site currently maintains a roster of dozens of editors and reporters, including longtime old-guard journalists like former *Washington Post* staffers Tom Edsall and Dan Froomkin.

The success of HuffPo does have a dark underside, however. While the site should be applauded for expanding its original reporting and experimenting with pro-amateur collaborative efforts like Off the Bus, which paired unpaid contributors with professional, paid journalists, it is still built on the backs of the approximately 4,000 bloggers who contribute—for free—to the site.

This poses several problems. First, as Michelle Haimoff pointed out in July 2009, it creates an “increasingly homogenous” voice for the site and has the potential of alienating those who don’t identify with that voice. More importantly, as Haimoff—herself an unpaid HuffPo blogger—noted, “the only writers that will write for free are writers that can afford to write for free.”

So what's the fix? Haimoff suggests a performance-based bonus system for the site's unpaid contributors—a model that has been employed at other web publishing ventures like Gawker Media's sites.

But such a system is flawed and adds unneeded additional pressure to an already high-pressure profession and ultimately erodes the idea of job security.

“We're working in the digital equivalent of a sweatshop,” one disgruntled Gawker Media blogger wrote in 2008 (before being fired soon after).

Slate editor Jacob Weisberg, talking to Online Journalism Review in 2005, noted that this type of system could easily lead to pandering and sensationalism, and would also be bad for worker morale. “It would create an unproductive kind of competition among our writers,” he said.

Some, like CBS Sports, have suggested employing a similar metric, but tied to “visitor loyalty” rather than raw page views. But this still gets back to a performance-based pay system that could ultimately be exploitative.

The real solution here is bigger than any individual website's pay structure; it ultimately lies in the macro level: how news media organizations make money. While some leading thinkers and big-name publishers like Rupert Murdoch have suggested an online pay wall is necessary to preserve both media institutions and the jobs they provide, a plan recently launched by New York Mayor Michael R. Bloomberg takes an even wider approach.

Bloomberg's office estimates that his initiatives—part of the larger MediaNYC 2020 program—will create roughly 8,000 jobs and help grow the city's media industry. The plan rightly has a strong eye toward the future and technological innovation, with a heavy focus on technology and bringing new media investment to the city, which has long been a global center for old media institutions.

Among the initiatives are the creation of a NYC Media Lab, a research center that will work to connect media companies and academics, modeled after the successful labs at MIT and Stanford University. The administration is also launching a program to help local companies learn the ins and outs of bidding on city government contracts, a high-tech center for media freelancers in lower Manhattan, a digital media training program for “displaced or entrepreneurial” media workers, a competition for web developers who use city data to create useful applications, a bond program for information technology purchases and a fellowship program for entrepreneurs.

One of the most exciting initiatives of the research center is the media and tech fellowship, which will go to 20 “rising star” entrepreneurs each year. These fellows will receive mentoring, access to venture capital firms, and support services like legal aid.

The Bloomberg plan is right to focus on small media businesses, especially when it comes to web publishing and other technological applications that can be less labor-reliant than traditional media production. But you don’t have to be high-tech to be small and successful in the news media industry.

Recent surveys from trade groups like the Inland Press Association and the Association of Alternative Newsweeklies (disclosure: that’s my employer) show smaller papers suffering far less than their larger counterparts. Some small papers are actually reporting positive revenues, an anomaly worth cheering.

In New York, there are many small newspapers, ranging from community weeklies like the *Norwood News* or the *Brooklyn Paper* to the nearly 400 newspapers represented by the New York Community Media Alliance (NYCMA), which focuses on the “immigrant and community press.”

NYCMA executive director Juana Ponce de Leon told NPR in April 2009 that her organization’s newspapers were doing pretty well, all things considered.

“Their revenues are down, however, it is not the same type of dilemma that is facing the mainstream corporate media,” she said. “This media sector in the main has been accustomed to functioning with very little resources.”

And that scrappy ethos is one thing that these small newspapers have in common with web-based startups. The other key similarity: They often have tight audience focus. They might not have the widest distribution, but they have engaged readers and, more importantly, they often have a sort of monopoly on information about a particular subject or ethnic group.

As web publishing proliferates, serving a particular niche or particular immigrant community is one of the clearest ways for a publication to survive and thrive.

“Yesterday’s approaches to news are failing to educate, enlighten, or inform... It’s time for a better kind of news,” Umair Haque recently wrote on the Harvard Business Review’s website.

He says the answer lies in the economic model of niche publications, a model now known as nichepapers.

“Nichepapers offer more bang for the buck: greater benefits for far less cost,” Haque writes. “Readers get more, better, and faster content—while publishers realize lower capital intensity, lower distribution, marketing, and production costs, and less risk.”

Mr. Haque’s point is well-taken, but it’s worth looking at from another angle. Can these nichepapers sustain—and even create—middle-class media jobs? Or are we about to enter an age of journalism where everyone is an entrepreneur but we all struggle to make ends meet?

While I just don’t see nichepapers and new media outfits creating the kind of robust, middle-class careers in media that the mainstream organizations have in the past, there is a strain of hope.

As smaller institutions gain more traction and take readers away from the “old media,” the old media needs to put up a fight. These outlets need to learn from the new competition rather than dismiss it outright. The growth of not only bloggers but technology experts in a research and development division at *The New York Times* is an example of the step in the right direction.

While not all of these positions are what might have traditionally been considered “journalism” jobs, they are jobs, and well-paying ones at that. Coupled with the proper educational initiatives and robust training programs for young people, there’s hope that when the digital transformation is all said and done, plenty of worthwhile career paths in news media will remain.

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