

Bad News: The Decline of Local Journalism



BAD NEWS: THE DECLINE OF LOCAL JOURNALISM

The lowest form of popular culture – lack of information, misinformation, disinformation, and a contempt for the truth or the reality of most people’s lives – has overrun real journalism. Today, ordinary Americans are being stuffed with garbage.

– Carl Bernstein, American investigative journalist and author

Local journalism is in peril. Newspapers all over the country are reducing coverage, cutting back staff, abandoning physical newsrooms or shuttering operations altogether at a breathtaking pace. The United States has lost fully one-fourth of its newspapers since 2004, including 70 dailies and more than 2,000 weeklies or other nondaily papers. Weekday circulation of the remaining newspapers has fallen even more sharply in the same time period – from nearly 55 million in 2004 to 24 million in 2020 (Table 1). Correspondingly, there are now fewer reporters covering news in our local communities. The Pew Research Center reports that U.S. newspapers have lost 57% of their newsroom employees since 2008.¹

This chapter examines how these worrisome trends have affected local journalism in Hampton Roads. Newspapers – whether print or online – have long provided the vast majority of “iron core” news, a term we borrow from the distinguished journalist Alex S. Jones. The iron core is fact-based, serious reporting; it includes bearing witness at crime scenes, protests and school board meetings, but also digging deeper to provide context and explain complex stories, to shine a light on corruption and injustice, and to hold those in power accountable.² Columnists, pundits, news aggregators, your neighbors who post on social media and talking heads on cable television all depend on the iron core, although they generally contribute little to it themselves.

The breadth and depth of local coverage in our region’s newspapers has shrunk dramatically in the past two decades, but no similarly comprehensive, critical source of news and information has emerged to fill the gap. The newspaper crisis points to a deeper crisis in the functioning of our civic institutions. Without a robust,

reliable and independent source of fact-based news, there can be no common basis for understanding, discussing or enhancing the state of our region.

The initial trigger for the crisis in local journalism was the digital revolution. In the early years of the 21st century, newspapers lost their near-monopoly as a comprehensive source for up-to-date information about local communities and beyond. Readers and advertisers increasingly turned to various internet sites instead. Consumers were (and are) reluctant to pay for digital content, and media enterprises that had thrived for decades suddenly struggled to find a viable model for producing and delivering the news. The Great Recession of 2007-2009 coincided with the widespread adoption of the smartphone and social media, and advertising dollars for traditional news outlets plummeted. Between 2004 and 2020, annual advertising revenue in the U.S. newspaper industry sank from \$48 billion to \$8 billion, a staggering decrease of 82% (Table 2).

¹ Penelope Muse Abernathy, “News Deserts and Ghost Newspapers: Will Local News Survive?” (2020), pg. 11, at: <https://www.usnewsdeserts.com/reports/news-deserts-and-ghost-newspapers-will-local-news-survive/>; Pew Research Center, Newspapers Fact Sheet (July 9, 2019), at: <https://www.journalism.org/fact-sheet/newspapers/>; and Elizabeth Grieco, “U.S. newspapers have shed half of their newsroom employees since 2008” (April 20, 2020), at: <https://www.pewresearch.org/fact-tank/2020/04/20/u-s-newsroom-employment-hasdropped-by-a-quarter-since-2008/>.

² Alex S. Jones, *Losing the News: The Future of the News That Feeds Democracy* (New York: Oxford University Press, 2009), 1-6.

TABLE 1

TOTAL ESTIMATED CIRCULATION OF U.S. DAILY NEWSPAPERS, SELECTED YEARS

Year	Weekday	Sunday
1968	62,535,000	49,693,000
1972	62,510,000	50,001,000
1976	60,977,000	51,565,000
1980	62,202,000	54,676,000
1984	63,340,000	57,574,000
1988	62,695,000	61,474,000
1992	60,164,000	62,160,000
1996	56,983,000	60,798,000
2000	55,773,000	59,421,000
2004	54,626,000	57,754,000
2008	48,597,000	49,115,000
2012	43,433,000	44,821,000
2016	34,657,199	37,801,888
2020	24,299,333	25,785,036

Sources: Pew Research Center Newspapers Fact Sheet (June 29, 2021), at <https://www.journalism.org/fact-sheet/newspapers/>, and the Dragas Center for Economic Analysis and Policy, Old Dominion University. Figures after 2004 take both print and online readership into consideration.

The collapse of the for-profit business model that sustained newspapers in the 20th century has been accompanied by an unprecedented wave of buying and selling, resulting in the massive consolidation of the 21st-century newspaper industry. A handful of very large publicly traded chains that are dominated by various investment entities now “control the fate of more than 1,000 papers, including a third of the nation’s dailies, and more than half of total circulation.”³ These include Hampton Roads’ two daily newspapers, The Virginian-Pilot and Daily Press, both owned by Tribune Publishing Co. Earlier this year, Tribune was fully acquired by its largest shareholder, the hedge fund

3 Abernathy, “News Deserts and Ghost Newspapers,” 21 and 33.

TABLE 2

ESTIMATED ADVERTISING AND CIRCULATION REVENUE OF THE U.S. NEWSPAPER INDUSTRY, SELECTED YEARS

Year	Advertising Revenue	Circulation Revenue
1968	\$5,232,000,000	\$2,288,215,000
1972	\$6,939,000,000	\$2,929,233,000
1976	\$9,618,000,000	\$4,087,303,000
1980	\$14,794,000,000	\$5,469,589,000
1984	\$23,522,000,000	\$7,368,158,000
1988	\$31,197,000,000	\$8,046,287,000
1992	\$30,639,000,000	\$9,163,534,000
1996	\$38,075,000,000	\$9,969,240,000
2000	\$48,670,000,000	\$10,540,643,000
2004	\$48,244,000,000	\$10,988,651,000
2008	\$37,848,257,630	\$10,086,956,940
2012	\$25,316,461,215	\$10,448,561,493
2016	\$18,274,943,567	\$10,910,460,499
2020	\$8,833,842,400	\$11,091,733,928

Source: Pew Research Center Newspapers Fact Sheet (June 29, 2021), at <https://www.journalism.org/fact-sheet/newspapers/>

Alden Global Capital LLC. Privately held regional chains, including Boone Newspapers Inc. and Landmark Media Enterprises LLC, own or manage many of the remaining U.S. newspapers. (Table 3)

The coronavirus pandemic has placed local journalism under further stress. Steven Waldman, an astute observer of the crisis, notes that “even before COVID-19, the local media system was a strong breeze away from collapsing. A hurricane is now blowing through the local news landscape.”⁴ The Pew

4 Steven Waldman, “A Replanting Strategy: Saving Local Newspapers Squeezed by Hedge Funds,” Center for Journalism & Liberty (Sept. 28, 2020), 4, at: <https://www.journalismliberty.org/publications/replanting-strategy-saving-local-newspapers-squeezed-by-hedge-fund>.

Research Center has tracked how the advertising revenue of publicly traded newspaper companies – already at a historic low – fell precipitously in the first quarter of 2020. The companies responded by slashing payrolls, selling property and closing newsrooms, reducing print days or stopping production of some papers altogether.

Hampton Roads is immune to none of these trends. In fact, our region provides both an exemplary case study and a cautionary tale of the decline of local journalism. This decline merits our attention no less than our region’s economic recovery or ability to create high-paying jobs. The well-being of Hampton Roads depends on reliable information, community dialogue, accountable leadership and well-functioning institutions – all of which are fostered by high-quality local journalism. Conversely, regions without a thriving press have been shown to have lower levels of voter participation and civic engagement, higher rates of municipal borrowing and government inefficiency, and a diminished sense of community. Residents of communities without a newspaper are more likely to view local affairs through a national political lens, or to get their information from bogus or overtly partisan news sources.

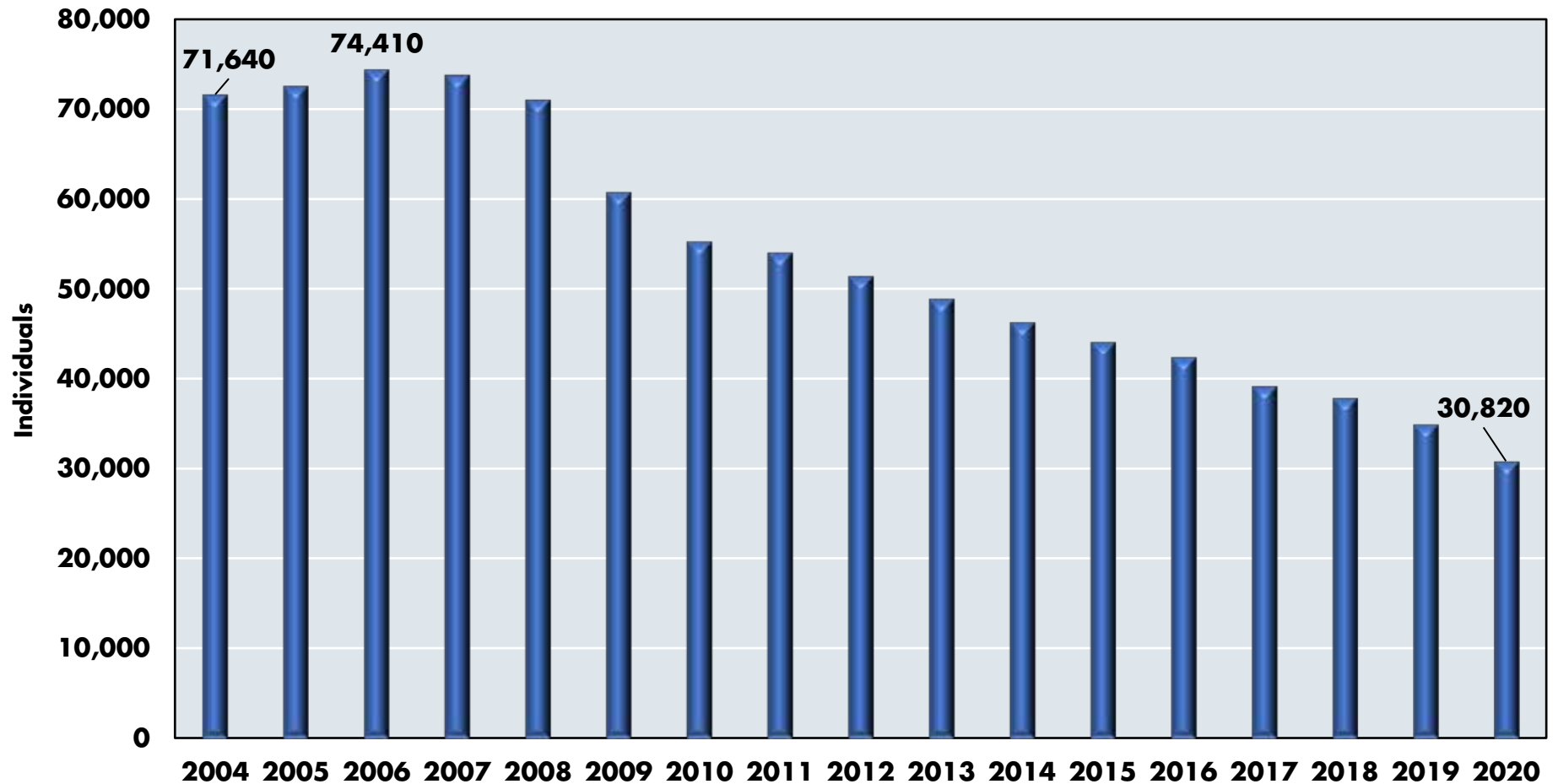
This chapter provides an overview of the local press in Hampton Roads, and how it has evolved over time. We show how the fate of our regional news media reflects broader developments around the country, including the transformation of longstanding publications into “ghost newspapers” and the ominous spread of “news deserts.” These terms were coined by Penelope Muse Abernathy, visiting professor at Northwestern University’s Medill School of Journalism (formerly at the University of North Carolina’s Center for Innovation and Sustainability in Local Media). Her work provides an essential resource for this chapter. Finally, we underscore the importance of local journalism, even (or especially) in the changed media landscape of the 21st century, and we point to potential models for its economic sustainability in the years ahead.

Rank	Owner name	Total papers	Daily papers
1	Gannett/ Gatehouse	613	262
2	Digital First/ Tribune	207	70
3	Lee/BH Media	170	84
4	Adams Publishing Group	158	40
5	CNHI	112	71
6	Ogden Newspapers	84	49
7	Paxton Media Group	75	42
8	Boone Newspapers	65	29
9	Community Media Group	57	14
10	Landmark Media Enterprises	55	3

Source: “News Deserts and Ghost Newspapers: Will Local News Survive?”, <https://www.usnewsdeserts.com/reports/news-deserts-and-ghost-newspapers-will-local-news-survive/>

GRAPH 1

EMPLOYMENT IN NEWSPAPER NEWSROOMS:
UNITED STATES, 2004-2020



Sources: Pew Research Center Newspapers Fact Sheet (June 29, 2021), at <https://www.journalism.org/fact-sheet/newspapers/>; Elizabeth Grieco, "U.S. newspapers have shed half of their newsroom employees since 2008" (April 20, 2020), at <https://www.pewresearch.org/fact-tank/2020/04/20/u-s-newsroom-employment-has-dropped-by-a-quarter-since-2008/>; and Mason Walker, "U.S. newsroom employment has fallen 26% since 2008" (July 13, 2021), at <https://www.pewresearch.org/fact-tank/2021/07/13/u-s-newsroom-employment-has-fallen-26-since-2008/>

The Newspaper Business In Hampton Roads: How We Got Here

Hampton Roads' oldest newspapers have a long history. The Colonial-era Virginia Gazette (Williamsburg) first appeared in 1736, and numerous papers have adopted that name since, including the modern weekly that was founded in 1930 – and still operates today, publishing two issues a week. The Virginian-Pilot traces its roots back to 1865. The Suffolk News-Herald was established in 1873, the Daily Press (Newport News) in 1896, the Journal and Guide (Norfolk) in 1900 (known as the New Journal and Guide since 1991) and The Tidewater News (Franklin) in 1905. Over time, our region has been home to dozens of daily and weekly newspapers. Many were short-lived, but others circulated for years before going out of print or merging with other papers.

Like nearly all other businesses, newspapers in the American South were once strictly segregated by race. With the exception of the New Journal and Guide, all of the aforementioned papers were originally produced by and for white readers. Many years ago, the Journal and Guide was one of numerous Black papers in our region, although it quickly became the most influential. By the 1930s, the weekly publication had become the most widely distributed Black newspaper in the South and even introduced a national edition.

Newspapers became big business in the late 19th century. Technical advances enabled cheaper and faster printing, and publishers sought to attract a mass audience with exciting headlines, illustrations, puzzles and other popular features. A circulation war between the big-city newspapers of William Randolph Hearst and Joseph Pulitzer famously gave rise to an era of sensational “yellow journalism.”

In towns all over the country, however, a different model of journalism ultimately took hold, governed by emerging professional standards of accuracy, fairness and public accountability. Penelope Muse Abernathy notes that general-interest newspapers “were largely owned by local residents.

These publishers and their editors often had political clout in their states and cities, but – whether conservative or liberal – they had cultural and economic restraints. If they did not serve the interests of their readers and advertisers, they risked losing business to a competing paper.” The early newspaper barons – including Samuel Slover and his nephew Frank Batten Sr. at The Virginian-Pilot and its related newspapers, and P.B. Young Sr. at the Journal and Guide – “established the modern, multi-subject newspaper and became the dominant advertising option for most local businesses.”⁵

As the 20th century progressed, these local newspapers reflected and were shaped by the following key trends:

- *A business model that balanced profit seeking with civic responsibility.* Local newspapers were not charitable enterprises; the most successful owners became quite wealthy and established family dynasties. At the same time, however, most took their civic responsibility seriously. They influenced their communities not only as businessmen, but also as philanthropists, board members and informal power brokers. They sometimes challenged political leaders or took controversial stands (witness The Virginian-Pilot's Pulitzer Prize-winning editorials against lynching in the 1920s, and against massive resistance to racially integrated schools in the 1950s), which ultimately enhanced the papers' reputation as independent truth-tellers.
- *Consolidation and the rise of big newspaper chains.* As radio and later television vied for consumers' attention, entrepreneurial newspaper owners purchased additional media outlets in order to stay competitive. Samuel Slover's purchase of the Portsmouth Star in 1955 led to the establishment of Norfolk-Portsmouth Newspapers Inc., which grew to become the diversified media company Landmark Communications Inc. in 1967. In Newport News, the Daily Press became part of the Tribune media chain in 1986. In all but the largest cities, competing newspapers and morning/afternoon editions merged or went out of business. In Hampton Roads, The Virginian-Pilot's former afternoon publication, The Ledger-Star, ceased operations in 1995. The desegregation of formerly white newspapers ultimately diminished the influence of the independent Black press, which was no longer an exclusive source of news and information for Black communities.

⁵ Penelope Muse Abernathy, “The Rise of a New Media Baron and the Emerging Threat of News Deserts” (2016), 20, at: <http://newspaperownership.com/newspaper-ownership-report/>.

• *De facto monopolies.* By the century's end, most U.S. metropolitan areas were served by a single daily newspaper. This was also true in Hampton Roads, if we consider Southside and the Peninsula two separate metro areas. The Virginian-Pilot and Daily Press covered different localities and largely avoided direct competition. Warren Buffett (whose Berkshire Hathaway conglomerate once included dozens of local papers) described such market-dominant newspapers as "unregulated toll bridges" because their owners "had the relative freedom to increase rates" when and as much as they pleased.⁶ Local employers seeking new talent, movie theaters announcing show times and anyone selling almost anything locally relied on newspaper advertising. Profit margins ranged not uncommonly between 20% and 40%. The "public service of publishing iron core news"⁷ rarely paid for itself, but it didn't have to; it was heavily subsidized by more profitable aspects of the newspaper business.

Local Journalism Today: Are We Losing The News?

This business model came crashing down in the first decade of the 21st century. A very small circle of newspapers with national or even global audiences (The New York Times, The Washington Post and The Wall Street Journal) have successfully reinvented themselves in the digital era, but most other papers are struggling. As Penelope Muse Abernathy notes, "There is simply not enough digital or print revenue to pay for the public service journalism that local newspapers have historically provided."⁸

This dilemma is driven in part by the loss of readers, but even more by the business of digital advertising, which now accounts for more than half of all U.S. advertising spending. Just three companies – Facebook, Amazon and Google – receive nearly two-thirds of all digital advertising dollars, leaving

the news media and all other businesses, large and small, to compete for the rest. Most Hampton Roads newspapers have turned to paywalls, which allow readers a limited number of page views before they must pay for an online subscription.

Since 2004, the United States has lost approximately 2,100 newspapers. A growing number of cities and counties have become "news deserts" – that is, they have no local newspaper and/or "very limited access to the sort of credible and comprehensive news and information that feeds democracy at the grassroots level."⁹ Most news deserts are in rural, economically struggling localities, particularly in the South; their residents tend to be older, poorer and less educated than the U.S. population at large. The University of North Carolina's Center for Innovation and Sustainability in Local Media identifies our region's North Carolina localities (Currituck, Camden and Gates counties) as three of 225 U.S. counties without a local newspaper. The weekly Yorktown Crier-Poquoson Post, which was still listed on the UNC site last year, folded in 2019.

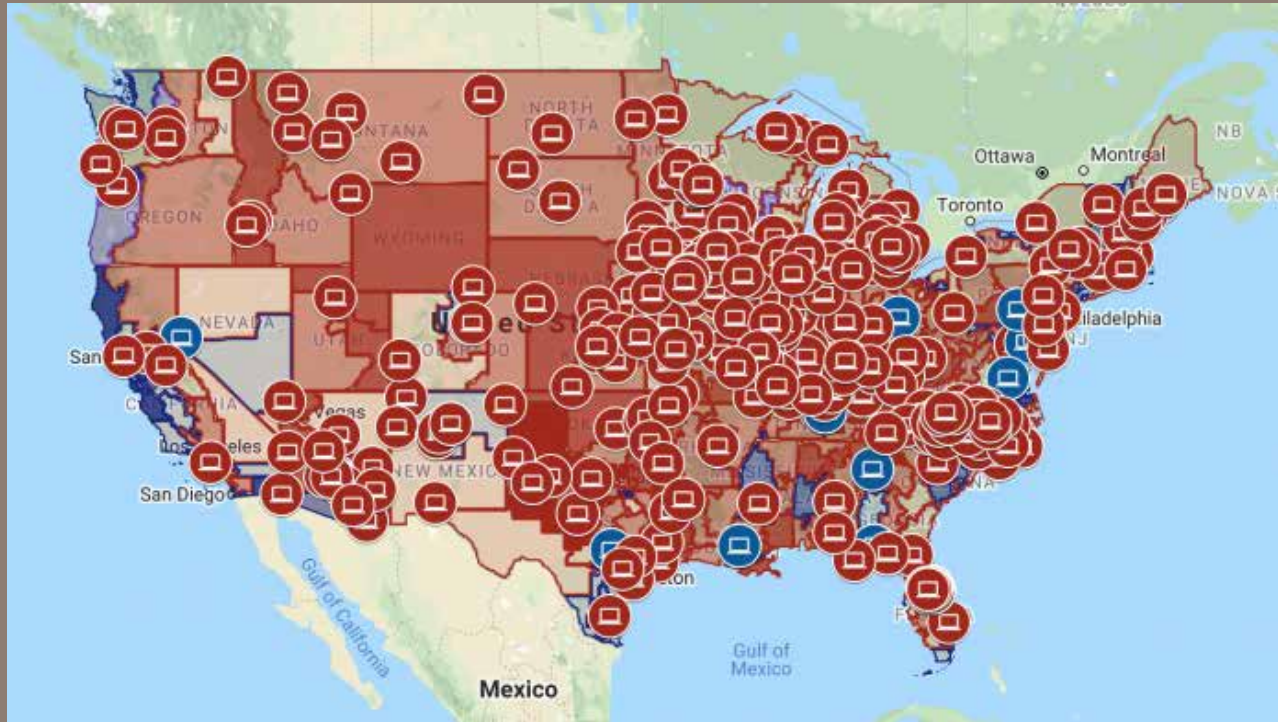
⁶ Margaret Sullivan, *Ghosting the News: Local Journalism and the Crisis of American Democracy* (New York: Columbia Global Reports, 2020), 36.

⁷ Jones, *Losing the News*, 15.

⁸ Penelope Muse Abernathy, "The Expanding News Desert" (2018), 8, at: https://www.cislm.org/wp-content/uploads/2018/10/The-Expanding-News-Desert-10_14-Web.pdf; and Keach Hagey, Lukas Alpert and Yaryna Serkez, "Local News Fades Out: A Divide between Newspaper Haves and Have-Nots," *The Wall Street Journal* (May 4, 2019), at: <https://www.wsj.com/graphics/local-newspapers-stark-divide/>.

⁹ Abernathy, "News Deserts and Ghost Newspapers," 18-20.

The absence of reliable local news is troubling enough, but it has also provided an opening for “imposter” local news websites that promote an ideological agenda. Such sites often have titles that resemble legacy newspapers (Outer Banks Times, South Tidewater News), but their stories are algorithmically generated or repurposed from other sources. They typically have no local address, and most, though not all, have a partisan bent. Hundreds of such sites sprang up in 2020, with “a sharp acceleration in activity in the lead-up to the November elections.”¹⁰ Unsurprisingly, this activity was greatest in swing states; one study found that North Carolina had more partisan local sites than any other U.S. state except Iowa, while Virginia had almost none.



Source: NiemanLab (2020). “Hundreds of hyperpartisan sites are masquerading as local news. This map shows if there’s one near you.”

¹⁰ Priyanjana Bengani, “As election looms, a network of mysterious ‘pink slime’ local news outlets nearly triples in size,” *Columbia Journalism Review* (Aug. 4, 2020), at: <https://www.cjr.org/analysis/as-election-looms-a-network-of-mysterious-pink-slime-local-news-outlets-nearly-triples-in-size.php>; and Jessica Mahone and Philip Napoli, “Hundreds of hyperpartisan sites are masquerading as local news,” NiemanLab (July 13, 2020), at: <https://www.niemanlab.org/2020/07/hundreds-of-hyperpartisan-sites-are-masquerading-as-local-news-this-map-shows-if-theres-one-near-you/>.

A variety of traditional news sources persist in our Virginia localities. Hampton Roads' two daily newspapers, The Virginian-Pilot and Daily Press, have long been key sources of iron core news, particularly in our urban centers. In addition, there are several general-interest newspapers (publishing less than daily) that cover smaller localities. The New Journal and Guide delivers news for Black readers throughout Hampton Roads.

The number and diversity of these sources bode well for the greater Hampton Roads region. However, this comparatively bright news landscape harbors two darker phenomena for the future of regional journalism: first, the transformation of longstanding publications into "ghost newspapers" characterized by less original content, fewer publication days and greatly reduced news teams; and second, these newspapers' acquisition by larger entities with an uncertain commitment to our region. These phenomena are interrelated and driven by the greater economic crisis of the newspaper industry.

When the valuation of newspaper companies plummeted in the early 2000s, independent owners all over the country declared bankruptcy or sold their papers to chains. Many of these chains were themselves acquired by larger chains or various investment entities. Penelope Muse Abernathy estimates that roughly half of all U.S. newspapers changed ownership between 2003 and 2018. In Hampton Roads, almost every legacy newspaper has a different owner now than at the start of 2000: the publicly traded Tribune Publishing (acquired by Alden Global Capital) or one of three smaller LLCs affiliated with Boone Newspapers. (The Daily Press and Virginia Gazette were already Tribune papers.) The Gloucester-Mathews Gazette-Journal and The New Journal and Guide are the last independent legacy papers in our region. The Princess Anne Independent News, established in 2015, serves southern Virginia Beach and the Oceanfront.

Tribune Publishing And Our Regional Dailies: The Virginian-Pilot And Daily Press

The seismic changes in the newspaper industry surely became apparent to Hampton Roads readers no later than January 2008, when Landmark Communications chairman Frank Batten Jr. announced his decision to sell the company. The Slover and Batten families had been at the helm of newspapers in our region for over a century. Soon after Batten's announcement, NBC Universal purchased The Weather Channel, Landmark's most lucrative asset, for \$3.5 billion. The private company has since sold most, but not all, of its media holdings. Today, Landmark Media Enterprises is still the 10th-largest newspaper owner in the country, although it owns none in Hampton Roads. Most of its properties are smaller community papers in Kentucky, Florida and other states.

The sale of The Virginian-Pilot, including its downtown Norfolk headquarters and Virginia Beach printing plant, was finalized in May 2018. (The paper had already downsized substantially under Landmark. Between 2003 and 2009 alone, its newsroom staff shrank from 272 to 193 employees.¹¹) The sale price of The Pilot was \$34 million. Decades earlier, Batten commented, the paper might have been worth "10 or 15 times" more. Indeed, Hampton Roads' other, smaller regional newspaper, the Daily Press, had sold for \$200 million in 1986.

Now both newspapers are owned by the same entity, Tribune Publishing (briefly known as Tronc at the time of sale). In November 2019, Alden Global Capital acquired a 32% stake in Tribune Publishing, becoming its largest shareholder. In February of this year, Alden announced its intent to purchase all remaining Tribune shares. Despite a dramatic, 11th-hour effort spearheaded by Maryland hotel executive Stewart Bainum Jr. to assemble the

¹¹ Roger Chesley, "Alden sets its sights on Tribune and a shudder runs through what's left of two Virginia newspapers," *Virginia Mercury* (Jan. 22, 2021), at: <https://www.virginiamercury.com/2021/01/12/alden-sets-its-sights-on-tribune-and-a-shudder-runs-through-whats-left-of-two-virginia-newspapers/>.

funding for a counteroffer, Tribune shareholders approved the \$633 million sale to Alden on May 21.

Alden Global Capital is a New York City-based hedge fund that was founded in 2007. It began acquiring stakes in the newspaper industry two years later, and it is now the country's second-largest newspaper owner. The financial twists and turns that have informed the recent history of Tribune Publishing and Alden Global Capital are too byzantine to describe here. More important in this context is that both entities are foremost examples of the "new media barons" that have come to dominate the 21st-century newspaper industry. Penelope Muse Abernathy identifies several defining characteristics of the new media barons, including: emphasis on maximizing short-term shareholder return over longer-term investment in local journalism, majority control by a small number of institutional investors (often a private equity company, hedge fund or pension fund), multiple financial restructurings and diverse portfolios with much movement among individual newspapers.

Alden has been called the "ultimate cash flow mercenary," the "grim reaper of American newspapers," and "one of the most ruthless of the corporate strip miners seemingly intent on destroying local journalism."¹² The fund's president, Heath Freeman, asserts that it is rescuing newspapers that would otherwise have folded, although media watchers suspect that it has instead set its sights on a dying industry, calculating that "a lot of money can be made on the way down."¹³ According to the Financial Times, Alden's MediaNews Group achieved "about 20-25 percent operating margins in 2019 ... more

than double that of peers such as Gannett or even The New York Times."¹⁴ Its business model for newspapers is no secret: dramatic cost-cutting through staff layoffs and buyouts, selling off real estate assets such as newsrooms and printing plants, and wringing out profits wherever it can.

This strategy should sound familiar to Hampton Roads residents. In January 2020, The Virginian-Pilot headquarters in downtown Norfolk was sold to an apartment developer for \$9.5 million. All newsroom operations moved to the Daily Press' leased office space in Newport News' City Center – until it, too, closed in September 2020. In June, the landlord had filed a lawsuit against the paper for \$110,000 in unpaid rent. (That same quarter, Tribune Publishing reported a profit of \$1.55 million). This February, editor Kris Worrell told us there are no immediate plans to reopen a newsroom after the pandemic, although the company is still considering what arrangements will make the most sense. The Pilot's Virginia Beach printing plant closed in July 2020. All of Tribune's Virginia publications are now printed in Richmond.

The news staff at the Tribune papers has continued to grow leaner. In February 2020, the company accepted a new round of buyouts from employees with at least eight years of work history in its Virginia news operations. A few months later, reporters making more than \$40,000 a year were required to take three weeks of unpaid furloughs due to the economic effects of COVID-19. In January 2021, former Virginian-Pilot columnist Roger Chesley reported that the blended news team of Tribune's four Virginia papers (including the Virginia Gazette and Tidewater Review, which serves localities north of Hampton Roads) numbered about 70.

Kris Worrell, the papers' shared editor, and Shaun Fogarty, executive director of sales, had a wide-ranging conversation with us in early February, before the announcement of the Alden sale. We spoke about their intent to create a unified news operation, bridging the stubborn divide between Southside Hampton Roads and the Peninsula that has long been a stumbling block for regional cooperation and economic development. We agreed that The Pilot

12 Jonathan O'Connell and Emma Brown, "A hedge fund's 'mercenary' strategy: Buy newspapers, slash jobs, sell the buildings," *The Washington Post* (Feb. 11, 2019), at: https://www.washingtonpost.com/business/economy/a-hedge-funds-mercenary-strategy-buy-newspapers-slash-jobs-sell-the-buildings/2019/02/11/f2c0c78a-1f59-11e9-8e21-59a09ff1e2a1_story.html; Joe Pompeo, "The hedge fund vampire that bleeds newspapers dry now has the Chicago Tribune by the throat," *Vanity Fair* (Feb. 5, 2020), at: <https://www.vanityfair.com/news/2020/02/hedge-fund-vampire-alden-global-capital-that-bleeds-newspapers-dry-has-chicago-tribune-by-the-throat>; and Margaret Sullivan, "Is this strip mining or journalism?" *The Washington Post* (March 5, 2018), at: https://www.washingtonpost.com/lifestyle/style/is-this-strip-mining-or-journalism-sobs-gasps-expletives-over-latest-denver-post-layoffs/2018/03/15/d05abc5a-287e-11e8-874b-d517e912f125_story.html.

13 Sarah Ellison, "Heath Freeman is the hedge fund guy who says he wants to save local news. Somehow no one's buying it," *The Washington Post* (June 11, 2020), at: https://www.washingtonpost.com/lifestyle/media/heath-freeman-is-the-hedge-fund-guy-who-says-he-wants-to-save-local-news-somehow-no-ones-buying-it/2020/06/11/9850a15c-884a-11ea-8ac1-bfb250876b7a_story.html; and Savannah Jacobson, "The most feared owner in American journalism looks set to take some of its greatest assets," *Columbia Journalism Review* (June 29, 2020), at: https://www.cjr.org/special_report/alden-global-capital-medianews-tribune-company.php.

14 Anna Nicolaou and James Fontanella-Khan, "The fight for the future of America's local newspapers," *Financial Times* (Jan. 21, 2021), at: <https://www.ft.com/content/5c22075c-f1af-431d-bf39-becf9c54758b>.

and Daily Press are an unparalleled resource for regional news and in-depth reporting – more essential than ever in an era of misinformation, as a growing number of citizens and even elected leaders have begun to choose their own “facts.” No other news organization in Hampton Roads has the capacity to produce such consistently high-caliber journalism. Stories about the unjust application of Virginia’s “three strikes” law (Tim Eberly, a Pulitzer Prize finalist for his reporting), strip searches at Virginia prisons (Gary Harki) and an ongoing series on Norfolk’s racial divides (Sara Gregory and Ryan Murphy) are a few recent outstanding examples.

Nevertheless, we would be remiss not to state the obvious – the ability of The Pilot and Daily Press to pursue such in-depth stories, and their everyday coverage throughout our region, has grown much thinner since their operations merged. Under only a few months of full ownership by Alden Global Capital, local reporting has grown thinner still. Two days after the May 21 acquisition, the new owners offered yet another buyout to newsroom employees at all of the Tribune papers. This round has been especially costly for The Pilot and Daily Press. According to NewsGuild statistics, newsroom union staff at the two papers decreased from 46 to 38, a loss of 17.4%, after six weeks of Alden ownership (including two of the reporters mentioned in the previous paragraph).

Three years ago, we had two daily papers. Now we essentially have one that covers a wider region with a smaller and less experienced news staff. The great challenge faced by the Tribune papers is perhaps not only encouraging readers to think regionally but also persuading these readers to pay more for less coverage within their immediate communities.

Boone Community Newspapers In Western Hampton Roads

Hampton Roads’ western localities are not only served by The Pilot and Daily Press, but also by community newspapers that have been in print as long – or longer – than the two larger dailies. Many decades ago, The Tidewater News, The Smithfield Times and Suffolk News-Herald may have looked not all that different from their counterparts in Norfolk and Newport News. Today, these much smaller papers fill a distinct niche in our regional news ecosystem, providing hyperlocal coverage outside our urban core.

The three papers are affiliates of Boone Newspapers, and thus embody a separate ownership trend that has emerged alongside the rise of the new media barons. “As the economy began to recover from the recession in 2013 and 2014,” Penelope Muse Abernathy writes, “Some of the smaller privately owned national and regional chains, which were largely debt-free, began quietly and selectively purchasing papers.”¹⁵ These smaller chains (Adams, Boone, Hearst, Ogden, and Paxton) are family businesses and in some ways resemble the newspaper chains of an earlier era. Jim Boone, current chairman of Boone Newspapers, succeeded his father as the publisher of the Tuscaloosa News in 1968. (Coincidentally, he had also served as the publisher of the Suffolk News-Herald before returning to Tuscaloosa.)

Abernathy observes that the smaller media chains “operate their newspapers as small businesses, with a singular focus on the bottom line and cash flow. In contrast to the mega-chains, they have lean corporate staffs and tend to keep low levels of debt. So, when hard times hit, they do not have to worry about paying off loans on ‘underwater’ properties. As a result, they tend to buy and hold properties, instead of trading them.”¹⁶ Many of their properties are community newspapers that publish less than daily and appeal to local advertisers within their smaller coverage areas.

¹⁵ Abernathy, “News Deserts and Ghost Newspapers,” 34.

¹⁶ Abernathy, “News Deserts and Ghost Newspapers,” 35.

When Boone Newspapers began managing the Suffolk News-Herald in 2000, the company presided over 34 newspapers. Its network has since nearly doubled in size, to include 65 newspapers by 2019. The Tidewater News, owned and published by Hanes Byerly for 46 years (1960-2006), joined the Boone newspaper group in 2006. John and Anne Edwards owned The Smithfield Times for 33 years before selling the paper in 2019. Today, these three community papers are owned by separate limited-liability corporations with various ties to Boone Newspapers. Members of the Boone family are the majority owners of Suffolk Publications LLC, while Tidewater Publications LLC is part of Carpenter Newsmedia (which is owned by Todd Carpenter, president and CEO of Boone Newspapers). Steve Stewart, a Boone vice president (and former publisher of the Suffolk News-Herald), is the new majority owner of Smithfield Newsmedia LLC. When we spoke to Stewart this February, he was in the process of relocating from Frankfort, Kentucky, to Smithfield, Virginia, where he intends to put down roots.

Stewart explained to us that the LLCs pay a management fee to Boone Newspapers, and that the papers share accounting services, health insurance and numerous back-end functions (similar to the efficiencies enjoyed by the Tribune papers). He said that the community papers try to “be smart about how we share content,” with each maintaining its own point of view and distinct area of coverage. Each newspaper has its own physical workspace, although some staff members are shared. The Suffolk News-Herald and a new startup, the Windsor Weekly, are available for free at various locations, while the other two papers have a traditional newsstand price; all can be obtained through online or paper subscriptions.

These newspapers are lean operations, and they have grown leaner in the past few years. A spike in the cost of newsprint following the introduction of a tariff on Canadian paper and the loss of advertisers during the pandemic have posed particular challenges to the small newsrooms. The Suffolk News-Herald reduced publication from six to five days a week in 2018, and again to two days a week in 2020. The Tidewater News became a weekly (down from two days a week) in 2020. A young Boone startup elsewhere in our region, the Yorktown Independent, and the older Gates County Index have recently ceased publication.

The Boone newspapers do not seek to compete with the regional or larger stories that The Virginian-Pilot and Daily Press regularly produce. However, as the two daily newspapers have reduced their footprint in western Hampton Roads, their smaller counterparts have become more essential. Steve Stewart pointed us to two recent stories by writer Stephen Faleski – about a Franklin wood-pellet producer’s longstanding air-quality violations, and a mismanaged decision to end curbside recycling in Smithfield – that might not have attracted public attention without the community papers.



The Hard Road For Independent Papers

Stand-alone newspaper ownership in the year 2021 is hard, but not impossible. Hampton Roads is home to three independent newspapers that have persisted against the odds.

NEW JOURNAL AND GUIDE

Brenda Andrews joined the staff of our region's prominent Black newspaper in 1982, and she is now its publisher and editor-in-chief. She has shepherded it through numerous storms – including Chapter 11 bankruptcy in the late 1980s, and an unprecedented six-week publishing hiatus in the spring of 2020 due to the upheavals of the coronavirus pandemic. The weekly New Journal and Guide is once again available at sites throughout Hampton Roads and via USPS delivery; it maintains a minimal online presence. When we spoke with Andrews in February, she underscored the important role the revitalized paper has played in disseminating information about COVID-19 and vaccinations and in covering ongoing racial disparities that have been widened by the pandemic. Environmental racism, food deserts in Black neighborhoods and the redevelopment of St. Paul's Quadrant in Norfolk are among the issues the paper actively follows. Advocacy for the Black community is central to its mission.

GLOUCESTER-MATHEWS GAZETTE-JOURNAL

Formed by a merger of the Gloucester Gazette and Mathews Journal in 1937, this weekly newspaper has covered news in the two counties for more than 80 years. Its longtime president and publisher was the late John Warren Cooke, who also was a speaker in the Virginia House of Delegates. His daughter Elsa Verbyla succeeded him in 2009. The Gazette-Journal is now the only Hampton Roads paper that still owns its own press; the newspaper's printing business provides a steady source of additional revenue. Editor Charlie Koenig told us by email that "while TV stations and large daily newspapers only seem to find Gloucester and Mathews on the map when something major (and usually horrendous) happens, we are there week in and week out covering stories

about what the school board or the county supervisors are doing, the exploits of our young people when they excel in school and on the sports field, and when a resident does something noteworthy."

THE PRINCESS ANNE INDEPENDENT NEWS

Editor and publisher John-Henry Doucette jokes that he founded The Princess Anne Independent News in 2015 because it's "the sort of thing middle-aged people fall into when they cannot afford a hot rod and are scared of buying marijuana."¹⁷ In truth, he is a seasoned journalist who cares deeply about local news, and he was concerned about the dearth of coverage in his home community of Pungo and other parts of southern Virginia Beach. The Princess Anne Independent News is now distributed for free at more than 300 locations throughout Virginia Beach and Currituck County. The bimonthly newspaper specializes in stories about local government, rural life and agriculture, occasionally tackling larger issues that have gone uncovered by other news outlets. Its past reporting has shone a light on the campaign-related spending of political action committees and nonprofit organizations in Virginia Beach.



GLOUCESTER-MATHEWS
GAZETTE-JOURNAL

THE PRINCESS ANNE INDEPENDENT NEWS
Serving southern Virginia Beach and the Oceanfront.

¹⁷ John-Henry Doucette, "From the Editor: Toward a Virginia Beach Task Force on Local Journalism," *The Princess Anne Independent News* (Feb. 1, 2021), at: <http://princessanneindy.com/2021/02/01/from-the-editor-2/>.

Can Local Journalism Survive? Models For The Future

The current local journalism crisis presents us with an opportunity to rethink how news operations are organized and how they might function better. Here, we highlight some of the proposals that have gained the most traction. None are mutually exclusive. Elements of all of these proposals can and should play a role in shaping our regional news landscape in the years ahead.

PUBLIC SUPPORT

The desperate situation faced by many local newspapers has reinvigorated discussions about public funding for public-interest journalism. The federally funded Corporation for Public Broadcasting (CPB) already provides grants to local public media stations, which in turn purchase national news and other programming from the Public Broadcasting Service (PBS) and National Public Radio (NPR). CPB funding in the future could conceivably play a larger role in supporting local news, whether broadcast or online. NPR launched a small team earlier this year to assist local stations with investigative reporting.

Hampton Roads' public broadcaster, WHRO Public Media, established its own local news team in 2020, covering the core costs of the new initiative by leasing out parts of its broadcast spectrum. Its five-person news team now produces original local reporting that punctuates the station's broadcasts. Longer stories are available on the WHRO website. Given its expansive broadcast area, WHRO has wisely chosen to focus less on breaking news than on contextual, explanatory reporting, with special emphasis on three areas: sea level rise and the environment, inequity and social justice, and military and veterans affairs. President and CEO Bert Schmidt tells us that WHRO is fundraising and exploring ways to grow the young program.

Public support for local journalism can take many forms. One widely discussed federal legislative proposal, the Local Journalism Sustainability Act, would provide tax credits to local news subscribers, relieve employers of some payroll

taxes for the journalists they employ and subsidize small business advertising with local news outlets. The bill has more than 70 congressional co-sponsors from both political parties. Other proposals seek to address the imbalance of power between tech giants Google and Facebook and local news providers. A "safe harbor" antitrust exemption, for example, would allow newspapers to "come together to bargain with platform companies like Google and Facebook to get paid for the use of their news content."¹⁸ In short, if we as a society agree that local journalism is essential to the functioning of democracy and our civic institutions, there is no shortage of public policy options that could be employed to sustain it.

NEW COMMERCIAL MODELS

Can local newspapers still make money? The answer seems to be yes, but their operations will look quite different from those of generations past. Most observers agree that newspapers must depend less on traditional advertising and more on reader subscriptions and other kinds of revenue. Penelope Muse Abernathy has suggested that commercial newspapers can remain viable in communities with "average or growing economies or population," as long as these papers are finely attuned to local needs – and thus, most likely, locally owned.¹⁹

Successful business models will necessarily vary from place to place. The Arkansas Democrat-Gazette moved readers from paper to digital subscriptions by lending them iPads, "smothering" them with customer service and keeping its local coverage as robust as possible; it now delivers a print newspaper only on Sunday. Other newspaper companies have created new revenue streams by holding in-person events, such as interviews with journalists, or panels and roundtables that discuss current topics; operating complementary businesses; or publishing lifestyle and business magazines.²⁰ We note that under the banner of Virginia Media, Tribune not only presides over an array

¹⁸ Rick Edmonds, "How many plans to save local journalism are too many?" *Poynter* (Oct. 27, 2020), at: <https://www.poynter.org/locally/2020/how-many-plans-to-save-local-journalism-are-too-many/>. See also Anya Schiffrin, "Saving Journalism: A Vision for the Post-Covid World," Konrad Adenauer Stiftung (January 2021), 11-14 and 24-25, at: <https://www.kas.de/en/web/usa/single-title/-/content/saving-journalism>.

¹⁹ Waldman, "A Replanting Strategy," 14.

²⁰ Mark Jacob, "The Arkansas Gamble: Can a Tablet and a Print Replica Rescue Local News?" *Medill Local News Initiative* (Jan. 13, 2020), at: <https://localnewsinitiative.northwestern.edu/posts/2020/01/13/arkansas-democrat-gazette-tablet/>; and Lauren Harris, "The context for the crisis: A Q&A with Penny Abernathy," *Columbia Journalism Review* (Aug. 19, 2020), at: https://www.cjr.org/business_of_news/the-context-for-the-crisis-a-qa-with-penny-abernathy.php.

of specialized publications (including Inside Business, The Flagship military newspaper and niche publications in Richmond and the Outer Banks), but also offers website development, marketing research and other digital services to clients. The Boone newspapers in our region publish three accompanying lifestyle magazines: Suffolk Living, Western Tidewater Living and A Slice of Smithfield.

Owners of successful newspapers must be willing to make tough decisions, such as cutting back print days or laying off staff – but they also must be prepared to invest in their papers’ future. Tribune Publishing sold off its legacy newspapers’ valuable real estate assets and radically cut staff expenses, but the proceeds appear to have flowed largely to nonlocal shareholders. Had this money been reinvested in Hampton Roads newsrooms or expanding local coverage, our two daily papers would surely be in a better place today.

“BIG HEARTS AND BIG WALLETS”

Can struggling newspapers be saved? Jim Friedlich of The Lenfest Institute for Journalism answers bluntly: “Where local interests have successfully retaken control of major regional news properties from newspaper-group or hedge-fund owners, it has invariably been a single, monied individual offering an aggressive price and surety of closing the deal, rather than a community group passing the hat. These buyers have two things in common: Big hearts and big wallets.”²¹

Jeff Bezos, who purchased The Washington Post in 2013, is surely the most famous billionaire newspaper owner. Glen Taylor, a former Minnesota state senator and owner of two professional basketball teams, bought the Minneapolis Star Tribune in 2014. Earlier this year, hotel magnate Stewart Bainum Jr. first sought to acquire The Baltimore Sun and other Tribune-owned papers in Maryland in a side arrangement with Alden that subsequently broke down. Not every billionaire newspaper owner succeeds (witness Equity Group Investments chairman Sam Zell’s ill-fated tenure at the Tribune Co.). However, Bezos, Taylor and a small circle of other very wealthy individuals now own commercial newspapers that have become at least moderately profitable (before COVID-19, anyway) through creative digital strategy and thoughtful

²¹ Jim Friedlich, “Tribune Blues,” *Columbia Journalism Review* (Jan. 12, 2021), at: https://www.cjr.org/first_person/tribune-blues.php.

investment. Media entrepreneur Gerry Lenfest purchased The Philadelphia Inquirer from Alden and another investor in 2014, and later gifted the paper to The Lenfest Institute for Journalism, a nonprofit organization (that he established) dedicated to promoting new models of sustainable journalism.

“Big hearts and big wallets” can also take the form of philanthropy. The people of Hampton Roads have benefited immensely from gifts to our region’s hospitals, colleges and universities, fine arts institutions and various charitable causes by generous leaders of our region. Some of the very largest of these gifts have come from the Batten family, who made their fortune in the newspaper business. Journalism has not traditionally been considered a charitable cause. Steven Waldman notes that U.S. donors “increased their commitment to journalism from \$123 million in 2009 to \$370 million in 2018,”²² but this is still a tiny fraction of the hundreds of billions that are given charitably each year. The Hampton Roads Community Foundation and other grant-giving organizations and donors should consider if and how supporting local journalism could enhance the well-being of our region. This kind of philanthropy need not occur on a massive scale; underwriting even a single journalist could make a tremendous difference at a small newspaper.

NONPROFIT JOURNALISM

A small but growing number of nonprofit organizations such as The Lenfest Institute explicitly support local journalism. Other examples include The GroundTruth Project, which supports journalists in underserved areas, most notably through the national service program Report for America and the American Journalism Project, a “venture philanthropy organization” that seeks “to inject one billion new dollars on an annual basis that goes directly toward supporting local news gathering,” using an impact investment model that has previously been adopted in fields such as education and international development.²³

Some legacy newspapers have reinvented themselves as nonprofit organizations. The Salt Lake Tribune is perhaps the most prominent example.

²² Steven Waldman, “The Coming Era of ‘Civic News,’” *Washington Monthly* (November/December 2020), at: <https://washingtonmonthly.com/magazine/november-december-2020/the-coming-era-of-civic-news/>.

²³ “Losing the News: The Decimation of Local Journalism and the Search for Solutions,” PEN America (Nov. 20, 2019), 56-60, at: <https://pen.org/wp-content/uploads/2019/12/Losing-the-News-The-Decimation-of-Local-Journalism-and-the-Search-for-Solutions-Report.pdf>.

The Philadelphia Inquirer is now a Public Benefit Corporation (owned by The Lenfest Institute). Earlier this year, the nonprofit Corporation for New Jersey Local Media (CNJLM) announced that it would work together with the New Jersey Hills Media Group to convert 14 weekly newspapers to nonprofit ownership. In the aftermath of the Tribune shareholders' vote on May 21 to accept the Alden deal, Stewart Bainum announced that he was "busy evaluating various options, all in the pursuit of creating locally-supported, not-for-profit newsrooms that place stakeholders above shareholders and journalistic integrity above all."²⁴ Steven Waldman has outlined an ambitious, two-part strategy for transforming commercial newspapers into nonprofit organizations – first, by establishing a private, nonprofit "replanting fund" that would identify and support likely candidates, and second, by instituting public policy changes "to make replanting more likely and to curb the deleterious effects of local news consolidation in general."²⁵

More than 300 digital-first, nonprofit local news websites have been established throughout the U.S. These organizations have much lower expenses than legacy newspapers, although they do not have the advantages of a longstanding subscriber base and must vie for readers' attention. The Institute for Nonprofit News provides a helpful support network; its members must be "transparent about funding sources" and committed to independent, nonpartisan "investigative and/or public-service reporting." Its three member organizations dedicated to local journalism in Virginia are Charlottesville Tomorrow, Foothills Forum (based in Rappahannock County) and the Virginia Center for Investigative Journalism (VCIJ). Founded by Virginian-Pilot alumni Chris Tyree and Louis Hansen, VCIJ produces in-depth, investigative stories and offers them to local news outlets free of charge. The reporting is currently done on a contract basis; VCIJ has no office or full-time staff. Tyree told us that an initial goal is to produce "one good story a month." The first VCIJ story, which appeared in September 2019, revealed that the U.S. Navy had been dumping toxic firefighting chemicals into tributaries of the Chesapeake Bay for decades, contaminating wells on and near Hampton Roads military bases.

²⁴ Robert Channick, "Hedge fund Alden's bid to buy Chicago Tribune, other papers approved by Tribune Publishing shareholders" (May 21, 2021), at: <https://www.chicagotribune.com/business/ct-biz-chicago-tribune-publishing-alden-shareholders-approve-20210521-2awcpedkfrvovx7gfsqpm45ua-story.html>.

²⁵ Waldman, "A Replanting Strategy," 2-3.

Virginia Mercury, which covers state government and policy, is another notable news nonprofit. It fills the gap that arose after daily newspapers closed their Richmond bureaus and reduced their General Assembly coverage. Virginia Mercury maintains a robust, user-friendly website and offers its stories to other news outlets free of charge. Its core funding for five full-time journalists and additional freelancers is provided by States Newsroom, a national nonprofit that oversees a growing network of similar state-based outlets. In 2020, NiemanLab initially included States Newsroom affiliates on its map of "hyperpartisan sites masquerading as local news" because the nonprofit "previously received backing from the liberal Hopewell Fund and did not begin disclosing its donors until this year." NiemanLab has since issued a correction, noting that sites such as Virginia Mercury are run by journalists with longtime newspaper experience and distinguished professional records.²⁶ Nevertheless, the incident is a useful reminder that readers should approach all news outlets critically, particularly those online, and consider their funding sources and professional ethics.



²⁶ See Mahone and Napoli, "Hundreds of hyperpartisan sites." A list of all States Newsroom donors who have contributed more than \$500 is available here: <https://statesnewsroom.com/support/>.

Final Thoughts

Our local news organizations are doing very good work, but there is much less of it than just a few years ago. A flood of information (and misinformation) is available at our fingertips, but we know less about the local issues and institutions that directly affect our quality of life. In 2021, we may no longer need newspapers to perform many of the functions they once did – such as providing weather reports, sport scores, movie times and so forth. However, we urgently need fact-checked, contextual reporting that can dispel misinformation, shine a light on corruption and injustice, and help us better understand our own communities. We agree with Penelope Muse Abernathy that, “Ultimately, it doesn’t matter whether local news is delivered through ink-on-paper or over a mobile phone. What matters is that a local news organization reports on important issues and provides context and analysis so citizens can make informed decisions and hold their public officials accountable.”²⁷

We are accustomed to thinking about the news as a purely commercial enterprise. However, events of the past two decades – and the more recent tide of misinformation and conspiracy theories surrounding the COVID-19 pandemic and the insurrectionist violence of Jan. 6, 2021 – have shown us that public-interest journalism should also be considered a public good. Focused, investigative journalism produces benefits to the public by shining the proverbial spotlight on the misdeeds of public and private actors. Without journalists asking hard questions and persisting in getting answers from politicians and others who prefer to obfuscate or remain silent, the big question is: Who will do the work? We have ample evidence that social media is ill-equipped to step into this role and often misinforms rather than informs.

The old model of commercial journalism that long sustained general-interest newspapers and provided a reliable source of iron core news is no longer viable. The challenge for regional and community newspapers today is not merely “going digital” – although successful news organizations must certainly maintain a robust and thoughtful online presence – but also finding a new economic model that will allow the reporting and delivery of high-quality local

news to continue into the future. As citizens of Hampton Roads, we all have a stake in this challenge. Unexamined institutions and the absence of a common basis for dialogue diminish us all. The better informed we are, the better we will be at making decisions that improve our quality of life and the state of Hampton Roads.



²⁷ Abernathy, “The Rise of a New Media Baron,” 39.