

Ghosting the News | Part Two

SEASON 2
episode eleven

Nicholas Lemann

Journalism is in crisis. The heart of the crisis isn't what most people think it is: the bitter struggle between Donald Trump and news organizations. The heart of the crisis is economic. Quite rapidly in the 21st century, newspapers, traditionally the major generators of original journalism, have gone into a downward spiral that has resulted in the disappearance of about half of their editorial jobs. That means that City Hall, state houses and other essential institutions have gone substantially uncovered and therefore are essentially unaccountable.

The problem is worldwide, but it is most severe away from the major capitals that get the attention of a swarm of journalists. Digital journalism, not long ago thought to be the solution to the problem, is now demonstrating that it, too, has trouble making enough money to support original reporting, especially locally.

This is Nicholas Lemann. Welcome to the Underreported podcast. We are back with Margaret Sullivan, author of *Ghosting the News: Local Journalism and the Crisis of American Democracy*, our latest book from Columbia Global Reports. Margaret Sullivan rose through the ranks at the Buffalo News, her hometown paper, winding up as its first female editor. She then became the public editor of the New York Times, and the media columnist of the Washington Post. She is one of the most respected senior figures in American journalism.

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Margaret, welcome back. And let's start by talking about what has caused this crisis in journalism, which you argue is pretty much economically based. I often find when I speak to people about this, that they'll say, "Well, you know, if only newspapers had changed their coverage in a certain way, if only the media weren't so liberal, etc., then everything would be fine and nothing would have happened. This was, you know, a

problem they created.” So I’d like you to respond to that and talk about what really made this happen.

Margaret Sullivan

Right. Well, I think that argument is a little bit like saying that Blockbuster Video would still be around if they had stocked more foreign films. There are bigger and more – there are bigger structural factors at play here. So that is not the case.

It may well be the case that some news organizations don’t cover things very well or that they’re biased or that they don’t serve their audience as well. And that may be a factor. But it doesn’t, it is not the lead factor.

The main factor is that print advertising went away and that was the lifeblood of these organizations. And I’ll just add that, you know, it’s, I think worth mentioning one or two numbers here. One is that more than 2,000 newspapers have gone out of business between 2004 and last year. And they were weeklies and dailies.

And then just in very recent weeks and months, because the corona, the pandemic, caused by the spread of the coronavirus, has kicked the legs out from under the economy all over the country, even more closures, and at a more rapid pace, have occurred, and a great many layoffs and furloughs in news organizations have followed. So it’s gotten worse.

Nicholas Lemann

Where do the advertisers go?

Margaret Sullivan

Well, they went to – they went to a number of different places. They started going to, many of them started going to direct marketing to consumers. You know, you were able now to sort of find your people and market to them directly in a number of different ways.

And then they started morphing to digital advertising, which for a time people in traditional news organizations believed that would, that digital advertising would simply substitute for the print advertising that was being lost. But wow, it sure didn’t.

For one thing, it wasn’t worth as much money. And for another thing, a great deal of

it was sucked up by the so-called duopoly of Google and Facebook, who have some very high portion, something like 75% or 80% of all digital advertising dollars.

Nicholas Lemann

Yeah, just a personal anecdote. You know, as the publisher of Columbia Global Reports, I am an advertiser occasionally. And boy, it's a real wakeup call when you price print advertising versus Facebook.

I mean, roughly speaking, you know, a print ad for your book would cost us, let's say, \$5,000. And an ad campaign for your book on Facebook would cost about \$150. So you really have to be either philanthropic or crazy to go with the newspaper in that comparison.

And the other thing I'd say about what you just said is, you know, why wouldn't we just take a digital ad in the Washington Post instead of on Facebook? One reason is it's priced higher. And another reason is Facebook can essentially say to us, every single person who reads the Washington Post is already on Facebook. So there's no advantage to you of buying the Washington Post audience because we can just replicate it.

Margaret Sullivan

And I'll add to that that that Facebook has been able to help advertisers target exactly who they're reaching because they've gathered so much information about their users, their two billion users. So they can actually, you know, very narrowly target people. And it's effective. It works.

Nicholas Lemann

Yeah. So if you're an advertiser, it's in fact, a good deal. And just stating the obvious, you know, Facebook and Google have argued for years, or they've been approached for years, and asked, why don't you guys start a news division? And they consistently say, "We're not interested." This would be like pocket change to them to do this. And that's not what they see as their mission.

Margaret Sullivan

Not at all. They don't even see themselves as the media companies that they really are.

Nicholas Lemann

Right.

Margaret Sullivan

Facebook is a place now that breaks news because people put their Facebook Live videos of, you know, police killings on there and, you know, other things. But no, that's not something, for many reasons, some of which are legal liability issues. They don't want to embrace that role.

Nicholas Lemann

Another argument that you answer in the book but I'd like you to answer on this podcast, you know, I'll come back to what you're saying, why are you so hung up on newspapers? Why don't we just let the newspaper business go out of business and then, you know, other news organizations that don't operate in that medium will spring up and fill the gap. So could you address that?

Margaret Sullivan

Well, again, I think this is one of those – it should not be an either-or, but a both-and. There is no question that the digital only, or digital first media organizations that have sprung up, many of them are nonprofits, are hugely important and will become more and more important. So they cannot be, you know, we have to recognize just how huge a factor they are. And they're big.

At the same time, even now, in their shrunken, withered, state, newspapers are, regional newspapers are doing some of, if not the, most important journalism in communities. I mean, think about, for example, what Julie K. Brown did at the Miami Herald in drawing a huge amount of attention to the Jeffrey Epstein story.

And there are countless examples like that. Even now, the Pulitzer Prizes largely are recognizing newspaper journalism in their local news categories. Newspapers are kind of set up to do this kind of public interest work very well. It doesn't mean that others can't and aren't doing it, but it does to me mean that I don't want to just throw out newspapers and say that ship has sailed, but rather to try to shore them up as much as possible while also supporting and nurturing the new stuff.

Nicholas Lemann

Yeah, just again, to underscore what you're saying for non-journalists. You know, we were talking a minute ago about how Facebook and Google are essentially media

companies, or in some way they are, who say, “We don’t define media company as entailing having reporters on our staff or journalists.”

So newspapers got into the habit – it wasn’t true in the early days of the American republic – they got into the habit of being the home to reporters and editors. So if you went into a typical city where there were a thousand, this would be like in 2000, let’s say there were a thousand employed journalists in that city. Typically 750 of the thousand would be in one room, the newspaper newsroom, and then the rest are portioned around TV stations, radio stations, alt-weekly, whatever. But the real lion’s share of the editorial resources for producing journalism sat in a newspaper. And that’s one reason why they’re so important to the community.

Margaret Sullivan

Exactly. Yeah, they know how to do the work, and they often have the institutional knowledge, the legal back, you know, the idea that, okay, we can push the envelope this far and we’ve got a lawyer that we can turn to to make sure they read it and let us do this pretty daring story.

All of those things are important. And it may well be, I mean, if you listen to my former owner, former owner of the newspaper I worked for, the Buffalo News, who is Warren Buffett, he describes local newspapers as having been once a monopoly, then a franchise, and now, or soon, what he says is toast.

So if that’s the case and Warren Buffett, you know, he seems to know a few things, newspapers are dying and are on their way out. My feeling is we should not say, “Okay, well, they’re done, so let’s forget about them.” Rather, isn’t there something we can do to keep them going while we make this transition, and possibly to stay around for the long haul as a part of the new media ecosystem?

Nicholas Lemann

So that leads to the question of what do we do now? And you talk about that a lot in the book. You traveled around the country a lot. So what are you seeing out there that’s hopeful, that is happening or could happen?

Margaret Sullivan

Well, probably the most hopeful aspect has to do with nonprofit newsrooms that are in many cities now. And I think the prototypical one is in Austin, Texas. It is the Texas Tribune. The Texas Tribune does a tremendous job, particularly covering state

government. And they're funded by philanthropy, by membership, and by running this big event every year called the Texas, it's called Trib Fest, and it makes a couple million dollars for the news organization to do its thing, and to have dozens and scores, actually, of people now doing the work.

And it has nothing to do with a newspaper or print. Smaller ones are all over the country, and they are extremely important and the more the merrier, for the most part, with them. There's one in Buffalo called Investigative Post and there's about four reporters and they break stories all the time.

I mean, one interesting thing about these places is they tend to be a little more nimble and a little less hidebound and maybe a little less tied to power than the newspapers have been. So they really do a very good job. That's important. But they don't really, that system is hard to make scale.

It is you know, as one of the sources in my book told me, capitalism scales, this doesn't. You know. It's not going to, there's probably not going to be a little mini ProPublica or mini Texas Tribune in every city or town, especially the smaller places that have lost newspapers. So that's, there's a downside to it, or there's a limitation, I would say.

Nicholas Lemann

Yeah. And I'd add also, I mean, Columbia Global Reports is itself a relatively new nonprofit news organization. We're one of the few that charges for content: we're selling our books. But most of these local nonprofits give free content, which is nice for readers, but it means they're 100% dependent on donations to make payroll. They have no other income source. And that's a lot of pressure on the fundraising operation.

Margaret Sullivan

It is. And interestingly, the fundraising operation is often this – because these are small organizations, the fundraising is done by the same people who are doing the journalism, which actually does present some potential problems. You know, the development person is also the editor-in-chief, also the founder in some cases.

Nicholas Lemann

Right. I hear you on that. I have a bunch of friends who have gone into that business and out of the traditional journalism business. And I always say to them, guess what? When you work for a nonprofit, it means you're on the business side now.

Margaret Sullivan

That's right. And that's so different from the old days where there used to be this really important distinction and wall between the advertising department and the newsroom. Like you wouldn't ever see an ad salesman even on the editorial floor. It would be, you know, verboten. So that's a big difference.

Nicholas Lemann

And not all the time, but sometimes, funders of nonprofits can misbehave. Just as, as you noted, advertisers can misbehave.

Margaret Sullivan

That's right.

Nicholas Lemann

So they might not necessarily see that they're not supposed to give editorial input and things like that.

Margaret Sullivan

Absolutely right.

Nicholas Lemann

So I guess if you're describing a big problem with a promising but much smaller beginning of a solution in the nonprofit sector, what else do we need? Is there anything we could do that would, as you mentioned earlier, sort of shore up the newspaper industry as it exists?

Margaret Sullivan

Well, there are a bunch of things that are being considered that are essentially public policy initiatives. One is, which is being pushed by a media, mostly newspaper, advocacy group called the News Media Alliance, is to try to get a temporary antitrust exemption for publishers. Meaning – and I hear, I'll say newspapers, they're not all newspapers – but so that they can bargain, negotiate against, they can negotiate together against Facebook and Google to try to get a bigger portion of that digital advertising pie or just a better deal about it.

You know, that rubs some people the wrong way. Why should newspapers get an

antitrust exemption? And there's a sort of a David and Goliath situation going on here in which Goliath is the duopoly. So there's that.

And then there's the question that you and I have talked about a lot, which is direct government subsidy to news organizations to keep them going. And this is something I'm asked about a lot and I end up quoting you. So maybe you should talk about what – I mean, I'll set you up here, Nick. I think in the past, no journalist has wanted to touch this subject because it seems to cut into editorial independence. But it's becoming more in the conversation. So why do you think it's worth exploring?

Nicholas Lemann

Well, there's a key concept, which is indirect government subsidy. The nonprofits exist because they're getting an indirect government subsidy in the form of a tax deduction for the contributions to them. I think if you took that away, nobody would give them money and they would go away.

So in a sense, you know, everything is bound up in some government policy or other. And the question is, you know, for journalism, there always has to be a firewall, Chinese wall, church-state division, some protection from the corruption inherent in the funding source.

Every funding source has a potential for corruption. And so the question is, could you set one up with government funding that would be robust enough to prevent all the obvious things everybody worries about? You know, Donald Trump picks up the phone and says, "Let's say it in Buffalo. It's over for them tomorrow." You know, which he constantly threatens to do to various people getting government funding.

So my thinking has been affected on this by living primarily in a university for 18 years, after decades living primarily in a news organization. So, you know, Columbia, where I live, a big university, gets about \$1 billion a year in federal research funds. We are, for example, the leading producer of research on the dangers of climate change. So it kind of raises the question of how can this happen when a lot of university research is exactly the kind of thing that many elected officials, members of Congress, etc., would like to squash. And they frequently try.

And you know, there's not a perfect answer. Trump almost every week threatens to defund universities. But you can build these firewalls. You know, you have money being appropriated and then put into an entity that then puts it into some kind of peer review system that then distributes the money. So every single line item isn't flowing up to elected officials to vote on.

You know, it's complicated, but worth exploring at a time when there aren't wonderful options out there that really fill the gap. And, you know, also many places I'm thinking of, say, the BBC, government has, you know, government-owned but not government-controlled media outlets. So I personally think, and I know you're not all the way with me, that many of my fellow journalists are too willing to just rule that out entirely for discussion at this moment.

Margaret Sullivan

Well, you've moved me quite a bit on the subject, from pretty much a "no way," to "maybe you're right."

Nicholas Lemann

Okay well, "maybe" is good.

Margaret Sullivan

Yes. And you're persuasive. And I would say the situation has worsened since we started talking about it, which is not much more than a year ago. It's much, much, much worse now.

Nicholas Lemann

Yeah. And I just want to stress, as we as we have to end this program, or ask you to stress again, as bad as things were when you were writing the book, in the three months before we published it, when the pandemic really hit, it's gotten a lot worse.

Margaret Sullivan

It has. I mean, the pandemic has really exacerbated a bad situation. And it hasn't recovered. And it's been a swift decline. That is, it makes a crisis even more of an extreme crisis.

Nicholas Lemann

So this is a moment to say at the end, when, people really need to read your book. And it's a wakeup call and it's not entirely good news, but it's news people need to hear. And it's meant to lead to a hopeful conversation about how to make things better.

So it's, to me, this is the rare book that both points to a problem really forcefully, and

suggests ways to solve the problem. And I congratulate you for that, and for all of the wonderful attention the book is getting. So thanks for being with us.

Margaret Sullivan

Thank you.

Nicholas Lemann

And, onward.

Margaret Sullivan

Onward. Thanks so much for having me.

Nicholas Lemann

Okay. Bye bye.

Margaret Sullivan

Bye.

Nicholas Lemann

Margaret Sullivan's new book is called *Ghosting the News: Local Journalism and the Crisis of American Democracy*. You can pick up the book in bookstores everywhere now or by subscribing to Columbia Global Reports at globalreports.columbia.edu/subscribe.

The subscription first includes Margaret Sullivan's *Ghosting the News*, and then our next five books will be mailed to your doorstep before publication. Additionally, we're committed to making these challenging times a little easier. So if you're still staying home, which we hope you are, and need something good to read, we'll send you a bonus book of your choice on signup. Learn more on our site at globalreports.columbia.edu/subscribe. I'm Nick Lemann for Columbia Global Reports. Thank you for listening.