

UNIVERSITY OF MINNESOTA

Conference Summary

New Economic Models for News

McNamara Alumni Center
University of Minnesota- Minneapolis
June 16, 2009

Speakers:

Joel Kramer, MinnPost

Robert M. Lang, Manweiller Foundation, L3C Advisors L3C

Bernard J. Lunzer, Newspaper Guild

David M. Shribman, Pittsburgh Post-Gazette


John F. Sturm, Newspaper Association of America

Jennifer Towery, Peoria Journal Star, Peoria Newspaper Guild

Ted Venetoulis, Corridor Media Inc.

Steve Yelvington, Morris Digital Works, Morris Communications

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The New Economic Models for News conference brought together media professionals, students, professors and business leaders to discuss new economic methods to support the struggling news industry. The conference included three panel discussions, a keynote address and three breakout sessions. Attendees used the Twitter hashtag #MJCNEWMODELS to comment on the proceedings.

Panel Discussion 1: Changing Regulatory Environment Point-Counterpoint
Panelists: Bernard J. Lunzer, president, Newspaper Guild
John F. Sturm, president and CEO, Newspaper Association of America
Moderator: Kathleen A. Hansen, professor, School of Journalism and Mass Communication; director, Minnesota Journalism Center

Summary:

The conference began with a point-counterpoint panel discussion between Bernard Lunzer of the Newspaper Guild and John Sturm of the Newspaper Association of America. They discussed the role that government, foundations, conglomerates and local ownership can play on journalism's future, and how the changing regulatory environment affects journalists, stakeholders and the resulting product.



Where is the newspaper industry right now, and where might it be headed in the near-term future as far as the regulatory environment is concerned?

- (Sturm) We are seeing an increased appreciation, understanding and concern over the preservation of local journalism from our elected officials. This is very different than several years ago. Elected officials and the administration have a new desire to be helpful to the news industry. The challenge is to change this into concrete results.
- (Lunzer) Journalism has a bright future but the current environment is bleak. There is and always has been a governmental role. The revenue slide is worse than ever and the short term solution has been to take it back from the staff. We need partnerships to make solutions for the long term. The future of journalism rests with the front-line journalists and workers.

How will the proposal, spearheaded by Nancy Pelosi, to ease the regulatory restrictions that prevent media mergers and cross-ownership within markets affect the situation?

- (Sturm) The government should take another look at the way they determine newspaper competition, which is outdated. There is much competition from outside sources, and so there should be a different view of transactions in the industry.
- (Lunzer) We have to look at what we are trying to preserve—the goal of antitrust language

protects owners, not workers. Some organizations are “pooling talent.” This is another model to look at, but we are afraid of reducing the number of working, quality journalists. There have to be standards.

- (Sturm) The newspaper industry has lost more than 12,000 jobs. We have to come up with new solutions that avoid people losing their jobs. Newspapers are the least consolidated of all major media. There must be opportunities for joint arrangements to help preserve those jobs.

Some people have suggested that the IRS might grant tax relief from a long-term capital gains tax, tweak the net operating loss rules and offer other tax advantages to newspaper sellers in order to encourage legacy owners of news organizations to sell to non-profits or other public-service entities. This might placate creditors and investors holding shares of debt-ridden companies. How would you respond to this suggestion?

- (Lunzer) The Newspaper Guild believes there is a place for low and non-profit models. The L3C model, for example, boosts value of current newspapers. Nobody wants a direct connection between the government and the press. But there could be tax credits for number of journalists employed for instance.
- (Sturm) Anything involving taxes, the government and news gathering is suspicious, because what government gives, government can take away. The government is running up trillions of dollars of deficit and will be unenthusiastic to give tax deductions to anyone.
- (Lunzer) The money involved is a drop in the bucket. I have no problem spending public money to save a public good in the short term. I don't want to choose winners or losers or pick newspapers over digital media.
- (Sturm) Broadcasters are the only ones who don't pay for their use of the spectrum because they have a public interest obligation. There has been a tug of war between the broadcasters and the government since 1934 as to what is the public interest. Taking a grant from the government means you have to play the government's game.

What about the public utility idea?

- (Lunzer) We are in a healthy environment of experimentation, but I'm not sure that a method to make news a public utility would work. The Newspaper Guild is agnostic and we want to see different methods, it won't be one answer.
- (Sturm) Public utilities have a board or commission, and in one way or another they will say how to do your job.

Some people have suggested that the idea of a “prepackaged bankruptcy” or “prepack,” which allows a company to negotiate and vote on a reorganization plan before declaring bankruptcy, could be applied to the news industry. The argument reflects the idea that greater public benefit comes from saving news organizations rather than dismantling them. What are your thoughts on this type of option?

- (Sturm) Anything that would keep journalists working the right way is worth exploring.
- (Lunzer) The Newspaper Guild is active in five different bankruptcies across the industry. We would welcome major changes in the law. The goal is the survival of the company. There could be some prepack changes that would allow for a quicker exit and could help workers, companies and communities.

The American Press Institute recently released their “Newspaper Economic Action Plan.” It included a “fair share” idea that would seek to establish public policy that guarantees an equal playing field for competition online. There have been some suggestions that news organizations should file a class-action suit on grounds of “unfair competition.” How might the “fair share” idea affect existing news organization owners and news workers?

- (Sturm) The fundamental notion of journalists getting fair compensation for aggregators' use of their work is an important and achievable objective. It will probably take an act of Congress, but it is doable.

- (Sturm) I like the concept of a journalist creating breaking news content, it's edited and packaged, and then published, and for a limited period of time it's used by others and the journalist is compensated. This has been used elsewhere and has proven successful.
- (Lunzer) Google has had a free ride and it should be over. They should give something back for the advertising dollars they receive off of other people's efforts. Information can't all be free.
- (Sturm) The notion is to keep the creators creating. A fair revenue stream doesn't solve all the issues. There is a lot of antitrust concern. There should be discussions to say what works and doesn't and eventually a proposal taken to the Justice Department for approval.

The API document to start putting news content behind pay walls and start demanding payments from an audience has been met with significant resistance. The recent NAA meeting in Chicago discussed some of these ideas. What effect do you think this proposal would have on your respective constituencies and the public in general?

- (Sturm) The Chicago gathering was not a clandestine meeting. The attendees found a great divergence of opinion, and the outcome was a number of task forces to look at the issues. There may be a nationwide solution on classified ads. There was conversation about metrics. And the usual set of best practices. There is some work going on right now that will benefit the industry.
- (Lunzer) The industry is way overdue in going after Craigslist. It is a model that could work. We don't do enough to help the advertisers, especially in small markets. Specialty and niche information would benefit from the pay wall, but general news would not. It would be smart to go to an aggregator and work together.

What could be done for advertisers?

- (Lunzer) Look at the Best Buy model—see the product online, have all the information, buy it online, pick it up at the store. Creative and affordable ad agencies would have to be involved and sponsored by the industry. This would help to find local products, and the whole community would benefit.
- (Sturm) Newspapers would be better off if they were a “one stop shop” for local businesses. They could be the ad agency solution. Local businesses would benefit from a total solution. No one else can and will do it.

TWITTER COMMENT: The most interesting idea, though I had heard it proposed before, came from Bernie Lunzer from the Newspaper Guild and John Sturm of the Newspaper Association of America. Both proposed the idea that news sites should provide a “one-stop shop” for local business not only to advertise but also sell their products. – Vadim Lavrusik, SJMC graduate and former editor, Minnesota Daily

Attendee Questions

How can we draw the line between aggregators who should be required to pay and people who expect and demand free information? How do you know who to go after?

John Daenzer, WCCO TV

- (Lunzer) I think reasonable people could sit down and figure this out. Something important is happening with the Internet, and it should be fed. But if you believe sustainable models need revenue then people can figure this out. Maybe the effort should be behind the scenes rather than on the front end. It will be hit and miss.
- (Sturm) Our industry is not good enough at licensing.

Isn't there already pay back from Google because they provide the audience and drive traffic to the individual website?

Ross Williams, Northern Community Internet

- (Sturm) About 30% of website traffic comes through Google, but the difference is when Google uses this content and puts it on Google News and sells ads around it. That is a problem. They are

making money off someone else's work. Fair compensation has to happen.

- (Lunzer) We've given Google some incredible things to search. There may be some crumbs in their \$36 billion for people who create information. What if you went to someone like Yahoo and offered to split advertising and for that give them a window into your newspaper? People will catch on eventually that it's best to use their search because they have better results.

TWITTER COMMENT: Curious. No ad/sales folks attending New Business Model for News conference.
– Jeff Achen, ECM Publishers Inc.

Is there a way to have a conversation with newspaper publishers about charging for content without violating antitrust laws?

- (Sturm) There is a way but you can't go too far. You clearly can't discuss price. You can discuss what works and what doesn't. But you can't take it to implementation.

Was there discussion at the Chicago meeting of using the cable news model, so people can subscribe to various tiers of content?

Dan Browning, Star Tribune

- (Sturm) There were several vendors with ideas on this but the discussion at the meeting was general. Many companies are working toward a type of plastic display/ flat panel with color with constant updates (based on how much you pay). It would give the user the ability to subscribe to a newspaper, magazine or book tier with different pricing.

Do either of you have a view that the industry would be better off if all news traffic to Google was turned off due to the argument that the traffic is not monetized?

Joel Kramer, MinnPost

- (Lunzer) I look at small communities with thriving newspapers, and see that the digital side is still making money. This is a sense of community. The difficulty lies in the urban mentality that information is free. It would be disastrous to just shut it off without somewhere else to push the flow. And Google may have some right to the content because it is published on the internet.
- (Sturm) There are no barriers to entry online and everyone can be a publisher. They are all creating inventory available for sale and that means that prices for display advertising have collapsed. Traditional media has inventory regulations, but the internet does not. There is no such support for pricing.

As a follow-up question, Google has been taunting the media in its testimony that the media can turn Google off. Could you visualize, if the justice department would allow it, the 200 largest news providers in the nation all shutting off Google on the same day?

Joel Kramer, MinnPost

- (Sturm) That certainly would require some sort of approval by the Justice Department (laughs).
- (Lunzer) It might be an interesting part of a negotiating process to get to someplace else (laughs).

Panel Discussion 2: New Ownership Models Panel

Panelists: Ted Venetoulis, chairman and CEO, Corridor Media Inc.
Robert M. Lang, CEO, Manweiller Foundation;
CEO, L3C Advisors L3C
Jennifer Towery, community news editor, Journal Star;
President, Peoria Newspaper Guild

Moderator: Mike Bucsko, executive officer, Minnesota Newspaper Guild

Summary:

During the second panel of the day Ted Venetoulis, Robert Lang and Jennifer Towery discussed new ownership models and their feasibility, benefits, restrictions and potential impact on the future of journalism. They looked at a number of recent proposals, suggestions and criticisms to determine the most logical and beneficial models for a variety of news outlets while stressing the importance of local journalism and ownership.



What are your ideas and ventures in new ownership models?

- (Venetoulis) Our objective was to bring the Sun Papers in Baltimore back to local ownership because we felt conglomerate ownership wasn't working. We concluded that local ownership was important but wasn't enough—we had to improve credibility. A tactic to accomplish this was to become a non-profit. We felt that newspapers should be a public service, and decided to use the public broadcasting model. Non-profit does not mean a newspaper should not be profitable. We went to U.S. Senator Ben Cardin [MD-D] to discuss this issue, and we drafted legislation and introduced Senate bill 673. It does two things. 1. Advertising revenue is tax exempt. 2. Contributions and grants are tax deductible.
- (Lang) The L3C is an attempt to cure some of the problems in the non-profit sector, the largest being lack of money. People will not rush to donate money to newspapers when there are homeless shelters faltering. Money must come in from the commercial side. The L3C is a program-related investment according to the legislation. This model allows the foundation to make the initial investment and assume the risk. This is not just meant for newspapers, we are working with food processing companies, housing projects, etc. The L3C is a variant form of the LLC, the most popular business organization form in the country. It is structured on an operating agreement. Members can set up anything they want as long as they all agree. Community and local focus is important in this model. However, the L3C is not the cure. For example, we've been working on a model to pay Google a commission for bringing customers to the door. In that case, Google would put the company first on the list.
- (Towery) The ideas above are tools to make newspapers better and save journalism. Every segment of a community should be concerned with the loss of a newspaper. They monitor the government. They are the most credible advertising vehicle. They fuel commerce and engage community issues. They challenge everyone to be better. They inform the electorate. Government,

especially elected officials, sports organizations and employers should all care about the newspaper. A newspaper is not just a business, it is a public trust. This challenge is an opportunity to get the newspaper under the community's control. It can't be about making money or building a media empire anymore. Success must come from within the community. I've found that it's amazing what people will do for the newspaper when asked. People want to help. In the long term it's best to have multiple investments and a lot of owners.

TWITTER COMMENT: News orgs must embrace being part of a herd. A smart one will seek to be the alpha, but collaborate. – Steve Yelvington, Morris Digital Works, Morris Communications

There is much criticism about newspapers taking handouts from the government, coming from Senator Cardin's bill. Could you address that issue?

- (Venetoulis) I don't pay attention to that. Look at public broadcasting; no one is pushing them around. Newspapers cannot endorse candidates under the L3C model. The product is the content. The ownership must be structured so that the community feels it is long-term and community motivated.
- (Lang) The important thing to recognize is community involvement. What will happen to car dealers if there is no auto section to advertise in? Run as a community venture and not conglomerates, small town newspapers are still profitable.
- (Towery) We need to get past the idea that we cannot, as journalists, go to the government and ask them to care of this. The government must provide tools to the industry.
- (Lang) Many industries go to the government for help—bus companies, airlines, etc. In our case we are looking for is a bill called the PRI Promotion Act of 2009, which will do two things. 1. Make it easier for foundations to get involved with program related investment, simplifying the procedure to register. 2. Specify newspapers in the bill.

Here in the Twin Cities we have a newspaper in bankruptcy and a newspaper whose parent company is struggling. Are two newspapers sustainable? What can the community do to participate?

- (Venetoulis) You have to have a local group committed to bringing the paper under local ownership come together to acquire the paper as it's fading. When several Baltimore sports teams were talking about leaving the city the government built stadiums. Large corporations were muscled to buy skyboxes. We got the community involved to sell tickets. We need to generate this same enthusiasm to sell newspapers. If the newspaper goes what is the town worth? We are exploring allowing citizens to be stockholders or using the Green Bay Packer model, where citizens bought shares of the stock to keep the team. The community must be part of it to make it a successful model.
- (Lang) We need to go one step further. The most important thing is journalism and the journalists. The building, printing press, name, etc. don't matter anymore. It's not about saving the paper—it is saving journalism. Small towns become cultural wastelands without a newspaper. Therefore, local businesses should make significant investments in their local papers. They have a stake.

TWITTER COMMENT: No one attending disputed the underlying premise that local newspapers are critical to the civic health of a community. Panelist Ted Venetoulis is part of a private investment group that would like to buy the Baltimore Sun, return it to local ownership and turn it into a nonprofit. The Chicago-based Tribune Company owns the Sun. – Scott Russell, MinnPost

Attendee Questions

Could you take it a step further? How would the investments by local businesses affect small town reporters' ability to do good journalism?

Scott Russell, MinnPost

- (Lang) It shouldn't affect it at all.
- (Towery) Everyone in the newsroom and all subscribers think the newspaper is theirs. This is no

different. They are citizens and can voice their opinions. Multiple owners will prevent there being a singular voice trying to command the paper.

What if businesses that are also owners are affected by the coverage and want to pull their investments?
Brian Lee, Star Tribune

- (Lang) The operating agreement is everything. The L3C designation says you must do a socially beneficial activity and the mission comes before the profit. Owners must look at the options and know having a paper is always more beneficial than not.
- (Venetoulis) When meeting with business leaders in town we made sure they understood two things. 1. This is a minimal investment. You won't get 10-12%. Maybe you will get 3-4%. Maybe nothing. 2. This investment does not give you the right to muscle the paper; you will ruin the franchise and ruin your own investment. We eventually decided to allow the investors the opportunity to express themselves in the monthly "investors' column." They are citizens and should be heard.
- (Towery) We will tell investors that we take their investment seriously and we'll provide training and education for our employees about real things like news judgments. Therefore their investment gets them a better paper.

Because public trust in journalism is declining does journalism need to have a public relations campaign for this sort of model to work?

Sarah Bauer, Minnesota News Council

- (Towery) We do need to improve mindsets. That will happen by better training employees and producing a better product. It doesn't have to be a major PR campaign.

How did Mr. Venetoulis spearhead the non-profit model effort?

Sally Duros, formerly with Sun Times

- (Venetoulis) I was county executive for a long time. There were three of us who brought forth the model; we all had connections in government. This was at a time when the newspaper business was doing well. We were citizens interested in the value of journalism in our community. We used all of our contacts and got tremendous response in our quest to improve the quality of the newspaper. It is up to the leadership in the community to mobilize in a group to determine the ownership structure locally.
- (Lang) It can be the newspaper guild and journalists. Anyone can take the lead.
- (Venetoulis) It's important to first go to the union to let them know what we planned to do. We made them part of our enterprise going forward.

TWITTER COMMENT: Find investors community by community and take a proposal to them - don't burden them with details in 1st pitch. – Sally Duros

Panel Discussion 3: New Revenue Models in the Digital World Panel

Panelists: Joel Kramer, editor and CEO, MinnPost
Steve Yelvington, Morris DigitalWorks, Morris Communications

Moderator: Dan Sullivan, professor and Cowles chair in media management and economics, School of Journalism and Mass Communication

Summary:

Joel Kramer and Steve Yelvington discussed new revenue models during the final session of the morning. Kramer pointed to the MinnPost model and its advantages and disadvantages in the wider news world, while Yelvington looked at a variety of models and stressed the keys for a successful business. Both panelists had predictions about which models will and will not be successful in the future.



What are your thoughts on where the money to support journalism might come from?

- (Kramer) Our goal at MinnPost is to have most readers also be subscribers. We plan this year to raise 25% of our revenue from advertising/sponsorship. I do not think advertising can sustain journalism on its own. Smaller publications with niche audiences are at an advantage. Our small, niche model works in this advertising model. I firmly believe the reader must pay for quality journalism. Right now only 7% of our readers donate money. A company could also look to syndicate content, get the money through foundations and philanthropy, or get the money from the government.
- (Yelvington) There is too much scapegoating going on right now. Journalism has never had a business model of its own, it has always been subsidized by something else. For a successful business model you have to have a compelling reason for people to give you money, you must acquire what you sell for less than it costs to sell it, there must be structural insulation from commoditization and price wars, and there must be a way for strangers to find out about it and become customers. Newspapers are in the business of helping other businesses sell their goods and services. It is a useful tool but it is not essential. Most newspapers are still profitable today, especially smaller market papers. Some newspapers make 20-30% of their ad revenues from Internet products. The economy is not the only reason that revenue is down. Debt is killing companies.
- (Yelvington) Print revenue comes from reader revenue, which is stable but declining, retail display advertising, and classified advertising, especially automotive, real estate and employment. Online revenue comes from classified advertising, graphical advertising, and text content match/search ads. Rising sources include selling advertising across networks, highly targeted advertising, self-service advertising, and non-advertising sources. Behavioral targeting is beneficial due to fewer wasted messages, is more cost-effective for the advertiser, is scarce (commanding higher prices), and requires networks to get scale. Unfortunately, news centers have to compete to deliver through an external network.
- (Kramer) In the non-profit model journalism is central, and our members give us money for

that. Often our sponsors also give us money because of the journalism, not advertising. The underappreciated challenge for all content creators is that the whole concept of advertising is being revolutionized and is greatly diminishing the power of the content creators. I do not see big future for content creation being supported by advertising.

TWITTER COMMENT: One of the more practical speakers, Steve Yelvington of Morris Communications, had it right. Journalism never had a business model. It was always subsidized by something -- political parties started it, then it morphed to the commercial application of hooking up businesses with consumers. – James Santori, publisher, Mankato Free Press

I find that the number of media my students read has changed. Does the future require a dominant medium or will it host a large number of successful models?

- (Kramer) Based on my experience I think we're more likely to see multiple small players be successful than one large player. Journalism in the future may be heading toward the art world model—most artists don't make a living making art, they have other full time jobs. My passion is to find a model that pays journalists. A single model is an artifact of old technology and I don't see it as the future of journalism.
- (Yelvington) There is still a role to be played by a dominant entity. Newspapers need to embrace that they are now part of a herd. Newspaper sites don't need to be freestanding. They should be connected and linked to other sites.

In your work, what are some of the implications of how different entities are thinking about Google?

- (Yelvington) If we could come to a deal with Google where they gave us half of their revenue from our work it wouldn't make much difference. It's not the solution. It's interesting how few organizations block Google.
- (Kramer) Google delivers 30% of our traffic. The vast majority of that traffic is not local. Recently we have decided to give our advertisers the privilege to reach only local customers. Someone on our staff sells non-local inventory to Google. We're getting .50/thousand for national audience and \$15/thousand for local audience. So how valuable is that national audience?

Earlier Jennifer Towery said the sugar daddy model should be gone. Are foundations meaningful as only a startup or can they still play a meaningful role?

- (Kramer) There is not enough money in foundations to support all news media, and they have rising needs and outside pressures besides journalism. Our strategy was to seek foundation help in the short term only in order to get their attention. We want to be able to succeed without foundation help in the long run, and go to them for special projects only. We can't rely on them to solve the problem.

Do you foresee any potential for investigative projects on a contract basis?

- (Yelvington) The Knight Foundation is giving away \$15 million for new business models for investigative journalism.
- (Kramer) I can only think of two business models for investigative journalism. One is philanthropy, which could be a meaningful component for investigative journalism only. The other model is to take the work of these investigative sites and sell it to publishers. I think most investigative journalism will be financed on a non-profit model.
- (Yelvington) One other small source is reader/consumer revenue such as writing books and making documentary films.

There is an experiment going on in Northfield, Minnesota, funded by a grant, where the community hired a journalist to cover the community and do the beat reporting, and reports it on a website. Do you think this is a viable model?

- (Kramer) That is similar to the MinnPost model except we have hired multiple journalists. This is a

very modest idea and I hope we can create things on a bigger scale.

Attendee Questions

Joel, do you see yourself getting to the point where you can pay people to cover more of the news and do more original reporting?

- (Kramer) We decided the niche where we could build an audience was on the analysis side because there is not nearly enough analysis happening out there. Covering the beats in the traditional way is decreasing across the board. It is extremely expensive for the return on investment. The brutal realities of web publishing keep me from being able to support reporters in traditional outlets.

Joel, has your organization looked into what prompts people to become subscribers?

- (Kramer) We haven't done any scientific research. Our audience is based on news-intense people—people who use multiple sources for news and pay attention to its quality. But Minnesota Public Radio proves that it can be done. Civically engaged news intense people are most likely to give.

The traditional advertising model is a smaller pie than it used to be. Thinking about commercial interest as a source of revenue, are there new ways that news organizations can begin to serve advertisers beyond carrying a message?

- (Yelvington) Large newspapers touch a thin layer of the overall business community. There is a lot of unmet need. There are many local services that a media institution could offer.

On your slide it says “focus on solutions that aren't easily commoditized.” The piece by Bob Picard, “Why Journalists Deserve Low Pay” touches on this. Can you explain the point on your slide?

Kathleen Hansen, Minnesota Journalism Center

- (Yelvington) There is a huge difference between price and value. When you build a business model you look for things that other people can't easily replicate. In the case of behaviorally targeted advertising right now it is hard to find that inventory, it's scarce, and it's tough to design a system that delivers that.
- (Kramer) There is an irony in the number of reporters across the country who have called me working on stories about non-profit journalism. If you have a lot of competition you have a lot of inefficiency. There are a lot of journalists writing the same stories. I don't know how to fix that. To some degree it fixes itself as staff sizes decrease.

Luncheon Keynote Address

David M. Shribman

Executive Editor, Pittsburgh Post-Gazette

David Shribman of the Pittsburgh Post-Gazette gave the luncheon keynote address. He focused on the importance of the news industry and its future, offered interesting insight into the life of an editor, and provided hope for the next generation of journalists. Here are some of his key points.



- I would like begin by honoring the remarks of Richard Harding Davis. “You cannot pay a reporter for what he does, because he does not work for money. He works for his paper. He gives his time, his health, his brain, his sleeping and eating hours, and sometimes his life to get the news. He thinks the sun rises only so that men may have light to read the paper.” This is how I feel about the news.
- I worry about my paper because revenues are down, costs are up, and people don’t read the paper as often anymore.
- We must remember that an informed citizenry has depended for two centuries on journalism.
- I love to brag about the very good work our reporters and editors are doing. I love to stand up for the rights of our news department. I love to read newspapers. I love to hold them, spindle them, clip them, tear them, and crumple them up when I make a fire. I love the damn things so much that sometimes it worries me. I know I’m not alone.
- We must not fail because too many people inside and outside our building depend on us. The role we play in our society isn’t only as hunter-gatherers. We are cultivators as well. We are cultivators of a way of life that is in danger to survive. This way of life celebrates the process of searching. Our culture needs the search because it is the search that sets us free.
- We are suffering from not only a crisis of revenue but also a crisis of confidence. The changes that we chronicle so well in other people’s lives are now happening in our own lives. We need to get a grip and set aside the comforting conceit that we are the center of the universe. We need to get on with the business of reforming ourselves. We have to have the spiritual courage to let change proceed at its own pace. We must remember that other industries have gone through this—and survived and flourished. Change is the oxygen of our business.
- I shared a stage at an event with a female coal miner shortly after a collapse in a local coal mine. We made a big commitment to covering the story. The coal miner spoke first about the dangers of mining. Someone then asked her what could be done to support coal mining safety in the United States, and what she said was surprising to me. She said the most important thing you could do to support coal mining safety was support the Pittsburgh Post-Gazette, because the paper had done more for mining safety than for any paper in the country.
- For everyone who thinks we’re not relevant anymore, I remind you of what she said, and the good works we do day in and out. To those of you who think we’re doomed—you will miss us if we’re gone.
- We are in the fight of our lives. We’re fighting for ourselves, our families, our jobs, our society, our culture, our country, our democratic values, and the great fun of doing good journalism. We must win this fight. And we will.

Attendee Questions

The question I'm going to ask myself is, "that was a vacuous talk with lots of words and little said. What are you going to DO about this?" – David Shribman, Pittsburgh Post-Gazette

- None of you believe that we're dispensable. In your neighborhoods people say to you "what can I do to help?" We have to survive this horrific year. We need to position ourselves for a much different world. We have to figure out if the changes in the industry are due to the recession or if they're due to a secular change of mind. I don't think they're due to the recession.
- We can't sit around here hoping that when the recession ends happy days will be here again. They won't be. We need to invest in new ways to raise revenue and distribute journalism. We do not have a circulation problem. We have a revenue problem.

I manage a newsroom. Do you have any advice on how to keep morale at a manageable level on a daily basis?

- I think it helps to wander the around newsroom, tell the truth, and keep the focus on what we're trying to do here—report the news. The spirit of the newsroom has to be focused on the story. There are great stories in every town.

If Woodward and Bernstein and the Washington Post hadn't existed, would Deep Throat have been able to get the information out to the public? Was journalism to credit for that?

- I think the question is whether news is created or whether it has its own inertia. I think there is more than one definition of news. News is smart people looking at the world around them and drawing conclusions based on what they see.

Is the Post-Gazette experimenting with any revenue producing approaches? –Vadim Lavrusik, SJMC graduate, former editor, Minnesota Daily

- We are experimenting with experimenting and will have one or two dazzling ideas before this fall. But I'm not going to say what they are. You'll hear about them and think, "That's what that guy was talking about!"

TWITTER COMMENT: When I asked Shribman what new approaches his paper was taking or experimenting with to get new revenue, he said that I would see them implemented this fall, showing an unwillingness to share. So why do we as journalists get together to talk about such things when many who have ideas are reluctant to share? I think it's time we collaborate and figure this out. – Vadim Lavrusik, SJMC graduate, former editor, Minnesota Daily

In the last 14 years newsrooms have improved productivity by 40%. Is the answer to the question about journalism's future to continue growing productivity rather than revenue? –Dan Sullivan, professor, School of Journalism and Mass Communication

- That is one successful way to do it, but it is a less rich way. For example, the number of papers that covered the Stanley Cup this year would have been much larger several years ago. However, the overall coverage didn't suffer much. We have to cut our resources if the money rolling in doesn't match it. It is better to increase productivity than to cut everything. Thrift is a form of revenue.

What is your message of hope and encouragement for undergraduates, recent graduates and graduate students in journalism and mass communication? – Nahid Khan, graduate student, School of Journalism and Mass Communication

- You have to get an internship. They are a ladder of social mobility. They introduce you to a way of thinking and working. The skills that you learn in preparation for a life in journalism are useful whether you work for a newspaper or not. The skills you learn—how to ask questions, gather information, have a humane eye toward the commerce of the world, to have strong and sharp judgment—those are skills you can apply to any profession. They are indispensable skills for living a useful life. This is the most fun work you'll ever do. Even if you don't do it forever, you can always say, "I used to be a reporter." You'll always have that as part of your social DNA, and it's the noblest thing you can say about yourself.

Breakout Session Summaries

After the morning sessions and keynote address participants divided into three groups to examine new ownership models, workforce models and revenue models. They were asked to evaluate what they heard, decide what would work best, identify challenges and opportunities for the new model in the current environment, and share their findings with the group.

New Ownership Models

Presented by Jennifer Towery

What did you hear today that seems feasible?

- Business models and revenue streams are linked.
- It is smart to encourage more diversity, because it leads to more owners and thus to more voices.
- There is freedom in stability within an organization.
- We need to look at alternatives to the industrial model in order to be more efficient.
- We should consider making the audience the new stakeholders.



TWITTER COMMENT: The goal shouldn't be how to save newspaper industry but how to develop a new business model for all, including newspapers. - Bob Stepno, journalism professor and former reporter

Which new ownership models might work?

- L3C: This model achieves the social goal by putting journalism first and profit second. However, there may be IRS problems.
- Non-Profit: This would work if there was an endowment to start and an annual campaign to keep donations rolling in.
- Public Broadcasting: This model is a nuisance due to the many donation drives needed to make it sustainable. There is also congressional interference involved.
- BBC: Tax deductions and a major revenue source could make this model work, but there would be government control and interference.
- Packers: This model of many owning a small share of the company offers stability but struggles from top-down management—most owners are not heard.
- Cooperative: This is an untested model where employees are the owners.
- ESOP: Employee stock ownership is another option. It increases employees' longevity with a company but still retains a top-down management style.

TWITTER COMMENT: Investors find the idea of the Green Bay Packers ownership model intriguing. – Sally Duros, independent journalist

What needs to change for new models to happen?

- The little guy will have to work hard to prove that change can happen. It will be a long and strenuous struggle, but with potentially large rewards. He can't be afraid to fail
- Creative destruction may happen in the process. There must be a plan in case it does.
- It is understood that the best models will vary by community. There is not one right answer to this issue.
- In 2008 a constitutional amendment was passed in Minnesota with funds for outdoors activities and public TV/radio (culture) to have access to a portion of more than \$400 million in the next biennium. Other forms of journalism should also be able to benefit from this.

Who's Going to Create the Public Affairs Content? Workforce Models

Presented by Kaitlyn Egan

What did you hear today that seems feasible?

- Community involvement is important for the success of journalism.
- Twitter can help connect journalists to the community.



What other workforce models might work?

- It's important to train reporters in technology. It will help save time and will provide more in-depth journalism.
- Reporters should use the public more often for diversity of views.

What needs to change for success?

- Revenue must increase but should never be the most important element.
- Public skepticism must decrease.
- More reporters are needed to spend time on investigative reporting.
- Need for experienced reporters.

How can these goals be achieved?

- News needs to be more directly connected with the community.
- Public should serve in watchdog role.
- Continue training employees, especially those with experience, as they are the most valuable.

TWITTER COMMENT: Most people today believe that if the news is important someone will tell them. Any successful model will leverage that. – Steve Yelvington, Morris Digital Works, Morris Communications

New Revenue Models

Presented by Jeremy Iggers

What did you hear today that seems feasible? What seems unfeasible?

- We don't believe the subscriber model is feasible because people won't pay for content if they don't have to.

What new revenue models might work?

- "How to" videos paid for by advertisers provide a high-quality, useful tool for a niche market. (Example- how to garden sponsored by a gardening store)
- Links to florists on obituary pages hits a niche audience.
- Real time Internet ads based on the demographics of the use.

TWITTER COMMENT: Reading pubs (including newspapers) for advertising, not editorial, is a very long-standing phenomenon. – Dorian Benkoil, digital media business and editorial consultant

What needs to change for success?

- It's hard to fund journalism today. There should be a variety of funding options, especially for public affairs journalism.
- Content and delivery have to stay relevant.
- Media outlets must recognize how important commerce is. (Coupons)
- Networks are going to be fundamental between news organizations in order to share and protect

content.

- There should be more collaboration across media platforms.
- News should be hyperlocal and hyperrelevant.

TWITTER COMMENT: Some breakout conversation about people reading newspapers for the advertising, not for the journalism. – Chris Krewson, The Philadelphia Inquirer

