

Courage to Learn: Newspapers

Over the past 15 years, the newspaper industry has been hollowed out, with one fourth of American newspapers going out of business or ending original reporting. The end of local newsgathering threatens our democratic system. There are two main causes of this collapse. The first is the concentration of advertising revenue by Google and Facebook. They help advertisers bypass traditional newspaper advertising by first gathering highly detailed personal data on their users and then allowing advertisers to bid on the right to advertise specific messages to specific people. The second is the purchase of newspapers by predatory financiers who strip-mined the industry for whatever assets remained, preventing possible investments in new business models. The Bush, Obama, and Trump administrations had no policy response to this crisis.

Key Facts

- From 2010 to 2016, the news industry [shed](#) approximately 113,000 jobs.
- Since 2005, America has lost [2,100 newspapers](#), one fourth of its total, leaving 1,800 communities without any local news coverage whatsoever. Many of the remaining 6,700 papers are “ghost papers” doing little newsgathering.
- 2,000 out of America’s [3,143 counties](#) have no daily newspaper.
- Advertising revenue in the newspaper industry [peaked](#) at more than \$49.4 billion in 2005, collapsing to an estimated \$14.3 billion in 2018.
- [86 percent](#) of online display advertising is bought and sold in electronic stock market-like “advertising exchanges” where fraud is rampant.
- In 2004, investment companies owned 20 percent of American newspapers. By 2014 they owned 50 percent.

Key Corporations

- Google, Facebook, Gannett (a subsidiary of Softbank), Digital First Media (a subsidiary of Alden Global Capital), Tribune Publishing (also partly owned by Alden Global Capital), McClatchy (Chatham Asset Management), CNHI, Lee Enterprises

Recommended Policies

- Pass the Journalism Competition and Preservation Act to provide news publishers a narrow and temporary authority to collectively negotiate with dominant online platforms.
- Prohibit private equity predation in the news publishing industry by passing the Stop Wall Street Looting Act.
- Break up dominant platforms by expanding existing antitrust suits, passing stronger antitrust legislation, banning mergers by dominant corporations, and engaging in regulatory and statutory changes to explicitly break up platforms.
- Ban targeted ads through new rulemakings or through targeted reforms of Section 230 of the Communications Decency Act.

Further Reading

- [“The Expanding News Desert”](#) by Penelope Muse Abernathy, December 2018
- [“Ending Our Click-Bait Culture: Why Progressives Must Break the Power of Facebook and Google”](#) by Matt Stoller, Sarah Miller & Zephyr Teachout, April 2020
- [“Investigation of Competition in Digital Markets,”](#) U.S. House of Representatives Subcommittee on Antitrust, Commercial & Administrative Law of the Committee on the Judiciary, October 2020

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