

**AMERICAN  
ECONOMIC  
LIBERTIES  
PROJECT**

**Media  
Justice** 

 **NEWSMEDIA**  
ALLIANCE

# **MINORITY-OWNED MEDIA AND THE DIGITAL DUOPOLY**

*Research Report with an Overview and  
Introduction by American Economic Liberties  
Project, MediaJustice and News Media Alliance*

## OVERVIEW

Newsgatherers serve a vital role in our communities. Every day, millions of Americans rely on their local newspapers to get the latest information on what is happening locally, nationally, and internationally. Local newspapers not only help to create a sense of community but also form a fundamental part of American life. By keeping government officials and other policy- and decision-makers in check, a healthy local news ecosystem corresponds with [lower municipal lending costs](#), while local and regional newspapers are also often responsible for some of the biggest scoops that affect the national discourse.

Niche publications aimed at certain racial or ethnic groups similarly provide high value to those communities and have been hard-hit by the transition to a Duopoly-dominated advertising marketplace.

Minority-owned news outlets occupy an important place in American journalistic history, and their continued survival – as well as the addition of new outlets – is threatened by the digital platforms' anticompetitive practices.

This report investigates how the digital Duopoly's dominance in the digital advertising ecosystem has impacted news outlets owned by and targeting non-white Americans.

## INTRODUCTION

Changes in digital communication technology that have taken place in the last two decades have forever altered the news landscape in the US and internationally. While some of these changes meet the needs of a digital-first readership, the migration of the majority of advertising dollars to two massive technology platforms, Google and Facebook, has had a catastrophic effect on the business of producing and providing news to consumers. According to Pew Research Center, news publisher advertising revenues fell from approximately \$50 billion to an estimated \$8.8 billion between 2005 and 2020, a reduction of over 80 percent. The Duopoly not only reroutes advertising dollars away from traditional publications, but is likely keeping new channels from being developed, as founders don't see a path to success.

For most of the 20<sup>th</sup> century, U.S. newspapers and television stations relied on advertisers, but in the wake of the digital revolution, this once-reliable source of funding dried up. Publishers hoping to evolve to a subscription-supported business, meanwhile, have had to reinvent their business and financial models and processes. A small number of news organizations opted to convert to nonprofit status, relying on individual or institutional donors; however, their long-term viability may not be sustainable, given the vagaries of the philanthropic world and their ability to maintain donor relationships.

This is not to say that the news industry was not already experiencing challenges to its business model or that it did not have problems before the big tech platforms began gobbling up the majority of digital ad revenue. But when it becomes abundantly clear that those platforms are exploiting publishers' reliance on them, using their original content without paying for it, and preventing publishers from having direct relationships with their readers and subscribers – all while extinguishing new competitors that threaten their dominant position in the marketplace – that raises immediate antitrust concerns. The platforms do not play fair, and no one stands a chance while their actions continue to go unchecked.

While it is true that the tech platforms helped some news publishers grow their online presence when they were struggling to adapt to new digital formats, without news publishers' high-quality news content, the tech platforms would be left with misinformation and hate speech, peddled by rogue producers of content designed to increase divisiveness and advance personal and political agendas. Trusted news content – provided by trained, professional journalists and reliable news organizations who adhere to a strict code of ethics – prevents conspiracy theories and false claims from running rampant online. Indeed, the tech platforms arguably need news publishers more than news publishers need the tech platforms.

And yet, the value of news publishers' content to the tech platforms has largely gone unrecognized and undervalued, with limited funding – representing only a tiny fraction of platforms' revenues received from their use of that content – being offered in recent years. While the tech platforms have created some programs for journalists and helped some local newspapers with funding and tutorials, the news publishing industry – including minority-owned publishers – needs a much more encompassing solution that is much broader in scope in order to truly make a difference and stop the wave of newspaper closures taking place across the country. News publishers don't need another program – they need a real solution with financial underpinnings that will help keep them in business. They need to be paid by the tech platforms for use of their content.

The [Journalism Competition and Preservation Act](#) (JCPA), a bill introduced in the House and Senate in 2021 that has received bipartisan support, would allow news media outlets to collectively negotiate with the tech platforms for fair compensation for the use of their content, flowing critical revenue back to news publishers – including minority-owned publications – who can then continue to invest in providing high-quality investigative journalism, local news and information to their communities.

In addition to passing the JCPA, other policy measures to help ensure a robust minority press could include more government-backed small business lending to create new minority-owned and rural media outlets and advertising agencies; more research on the topic, such as a Government Accountability Office report aimed at gathering more data on advertising in minority-owned outlets; and antitrust action to break up the largest, most monopolistic social media companies and force interoperability between them, to create room for ad-driven tech platforms such as Black Planet to flourish.

# Research Report: Minority-Owned Media and the Digital Duopoly

January 2022

Researcher: Pamela Newkirk, PhD

## BACKGROUND

Throughout their history, minority-owned news media have faced economic challenges due to the dearth of advertising and prohibitive printing and distribution costs. While some believed that the Internet would enable minority media to flourish by lowering barriers to entry, the rise of Facebook and Google has created a host of new challenges for all news media.

As eyeballs and advertising dollars have largely moved from legacy print to digital media, the big tech giants have been the biggest beneficiaries, while newspapers, television and billboards have all faced double-digit revenue declines and competition for a smaller share of the advertising pie. The outsize claim on online ad revenue by Facebook, Google and increasingly, Amazon – which rose from 80 percent in 2019 to nearly 90 percent in 2020<sup>1</sup> – has sparked a number of antitrust lawsuits that allege Facebook and Google constitute a duopoly that is illegally manipulating ad sales. A bipartisan House Judiciary Sub-Committee report found evidence that the tech giants had monopolized the digital economy. “Companies that once were scrappy, underdog startups that challenged the status quo have become the kinds of monopolies we last saw in the era of oil barons and railroad tycoons,” said the report.<sup>2</sup> It further states that the tech giants both run and compete in the marketplace, “a position that enables them to write one set of rules for others, while they play by another, or to engage in a form of their own private quasi regulation that is unaccountable to anyone but themselves.”

The shift has undermined the economic underpinnings of the traditional news industry. Between 2000 and 2015, newspaper ad revenues alone fell from approximately \$60 billion to \$23 billion, and between 2008 and 2017, newspapers laid off 45 percent of their workforce. During roughly the same period, the 82 percent spike in employment and addition of 6,100 jobs in digital-native newsrooms did little to offset the loss of some 33,000 newspaper jobs.<sup>3</sup>

While the Duopoly has fueled legitimate concerns about its adverse impact on the news media, little attention has been paid to the particular effect the tech giants’ media dominance is having on minority-owned and -operated media. People of color comprise roughly 40 percent of the U.S. population, yet remain acutely underrepresented in mainstream newsrooms that, consequently, often under-report or overlook issues of importance to their communities. After George Floyd’s death, some in major media issued apologies for their historical racial failings, including the editors of the [Los Angeles Times](#), the [Kansas City Star](#) and [Vogue](#) magazine. Editors of the *Kansas City Star*, for example, conceded the newspaper’s complicity in racial bias. It said for 140 years the paper “had been one of the most influential forces in shaping Kansas City and the region. And yet for much of its early history — through sins of both commission and omission — it disenfranchised, ignored and scorned generations of Black Kansas Citians. It reinforced Jim Crow laws and redlining. Decade after early decade it robbed an entire community of opportunity, dignity, justice and recognition.”<sup>4</sup>

These acknowledgements notwithstanding, many still see the need for a minority press to address issues that specifically concern people of color, and to provide a counter-narrative to mainstream media coverage. Given the unique challenges and the strong legacy of many minority-owned publications, the need for their survival is acute. The U.S. Census Bureau projects that racial minorities – primarily Blacks, Asians, Native Americans and Hispanics – will constitute the majority of the population by 2045. However, despite the strong presence of racial minorities in society, minority-owned digital media receive a disproportionately low share of advertising. For example, while African Americans comprise 13 percent of the U.S. population, top advertisers spent a mere \$3.86 billion, roughly 2 percent of their \$200 billion in ad spending, on Black interest media, according to a Nielsen report on African American consumers.<sup>5</sup> That figure includes media that, while targeted to Blacks, are white-owned.

In the wake of George Floyd’s murder and renewed national attention to and calls for the redress of structural racial inequities, major advertising companies and twenty major advertisers, including General Mills and Nestle, have pledged to direct a larger share of their advertising budgets to Black and other minority-interest media. A year later, there was little indication that many of those companies had fulfilled their pledges.<sup>6</sup>

In March 2021, Byron Allen, whose media holdings include The Grio, a Black interest platform, was among the Black business leaders who placed a full-page ad in the *Detroit Free Press* targeting General Motors which, according to the ad, “spends billions of dollars in advertising and less than 0.5 percent goes to Black Owned Media. This is horrendous, considering that we as African Americans make up approximately 14 percent of the population in America and we spend billions buying your vehicles.”<sup>7</sup>

In the shadow of the mainstream news industry upheaval exacerbated by the tech platforms, minority-owned media are, not surprisingly, showing signs of distress. While the minority press is not a monolith, in recent years, some of the most iconic titles have suspended publication or, in the case of *Ebony* and *Jet*, were forced to sell their titles and archives in bankruptcy auctions. They have since been revived, but only online. Others, following a trend of media consolidation, were purchased or formed partnerships with larger companies, including Black Entertainment Television, which is now owned by ViacomCBS. *AL DÍA* and *El Nuevo Herald* have formed partnerships with *The Dallas Morning News* and the *Miami Herald*, respectively; while the Tribune Company in 2019 suspended publication of *Hoy* in Chicago, which it had partnered with.

In 2017, the nationally renowned *Indian Country Today* temporarily ceased publication and more than half of the respondents to the Native American Journalist Association’s “Red Press Initiative” survey ranked budgetary constraints and lack of financial resources as the greatest threat to indigenous media, many which have gone to digital-only formats.<sup>8</sup>

While many of the 205 Black-owned newspapers represented by the National Newspaper Publishers Association (NNPA) no longer have audited circulation figures, five of the eight Black newspapers reporting recent circulation data saw their circulation drop by at least 10 percent

between 2019 and 2020, with the greatest decline – 40 percent – experienced by the *St. Louis American*. And circulation only tells part of the story. Many minority newspapers are acutely under-staffed and under-resourced, preventing them from providing the kind of comprehensive coverage that they once did.

Comscore data for the top 22 Black-focused websites shows that the median audience size of these websites is just under two million average monthly unique visitors. Collectively, the median decrease of these websites' average monthly visitors was about four percent between 2015 and 2016. Average per-paper circulation for the top 20 Hispanic newspapers dropped 8 percent, from 118,000 to 109,000 over the past year. *El Nuevo Herald* in Miami and *El Nuevo Herald* in Brownsville, Texas – the two daily Hispanic newspapers which have 2020 circulation data – also showed declines.<sup>9</sup>

Given the dominance of Facebook and Google in this news media ecosystem, some minority publishers now find themselves reliant on the tech giants for their survival. Mark Trahan, editor of *Indian Country Today*, said since the paper's reboot four years ago, Facebook drives 90 percent of the publication's traffic.

*“Data for the top 22 Black-focused websites shows that the median audience size of these websites is just under 2 million average monthly unique visitors. Collectively, the median decrease of these websites' average monthly visitors was about four percent between 2015 and 2016.”*

Although *Indian Country Today* has been able to survive, Trahan said his team has had to “rethink our systems,” to better exist in the world the platforms control. Trahan said that increased revenue from direct, non-platform driven advertising “would be hugely helpful” and allow him to increase his staff of 15. “If they're not reaching audiences like ours, they're missing out,” he said of advertisers.<sup>10</sup> In the meantime, Facebook maintains its access to the newspaper's audience.

Dr. Benjamin Chavis, president and CEO of the National Newspaper Publishers Association (NNPA), a trade association representing more than 200 Black newspapers across the United States, says the tech platforms have “enabled African American-owned newspapers to add additional revenue streams to their businesses.”<sup>11</sup> NNPA has received funding from both Facebook, through the Facebook Journalism Project, and Google, via the Google News Initiative.

Chavis said the pendulum swing from print to digital advertising presented both challenges and opportunities for African American publishers, the biggest hurdles being infrastructure and the lack of necessary resources by minority press to adapt to digital. However, he said those



challenges pre-dated the digital age, and he believes “if anything, the Internet has helped level the playing field.”

According to Chavis, NNPA’s membership has grown 10 to 15 percent over the last ten years, largely due to the addition of digital publications, including some legacy media, like the *Chicago Defender* and *Ebony* magazine, which would have otherwise folded but are now digital.

## SIGNS OF EARLY PROMISE

Indeed, at the end of the twentieth century, many had looked to digital media as a way for historically disenfranchised groups to close the entrepreneurial and information gap. In a 1995 speech on cyberspace, Adam Clayton Powell III, then technology director at the Freedom Forum Media Studies Center, heralded the transformative potential of the Internet. “Every consumer, every reader and every viewer can be a global publisher, with free instantaneous worldwide distribution by the Internet,” he said.

By then, the Black press had already been in a decades-long decline, with circulation falling precipitously as the Civil Rights Movement became a major story for mainstream newsrooms and the slow racial integration of the industry began. By 1970, many Black newspapers barely resembled what they had been at their height in the 1940s, when leading papers had high circulation, national bureaus and prominent correspondents. The *Chicago Defender’s* circulation fell from a high of 257,000 in 1945 to 33,000 by 1970. Similarly, the *Baltimore Afro-American’s* circulation slumped from 137,000 to 28,000 and by the 1990s, many legacy Black papers were struggling to survive or had folded. Between 2000 and 2015, as mainstream newspaper ad revenues dropped from \$60 billion to \$20 billion, the trend would further weaken an already financially strapped minority press.<sup>12</sup> Further free-fall was fueled by the disaggregation of classified ads, along with the rise of sites like Craigslist and, during the first decade of the 21<sup>st</sup> century, the end of newspaper tobacco ads, which disproportionately affected the Black press.

But there clearly was a hunger for Black-produced content. In 1997 Malcolm CasSelle and David Ellington, two young African Americans, launched NetNoir on America Online (AOL), which drew some 250,000 unique visitors per month. *Black Voices*, launched by the Tribune Company in 1997, saw its traffic quadruple in less than a year, with some 400,000 unique visitors and five million hits per month. But even then, there were troubling signs for the potential of minority publishers. A study, “Falling Through the Net II,” noted a significant racial gap in computer ownership: 76.3 percent of whites had PCs, compared to 64 percent of Blacks. And while 36.6 percent of U.S. homes had personal computers, only 18.4 percent had online access. That same year, a U.S. Education Department survey found that 63 percent of minority schools had access to the Internet, compared to 78 percent of all schools in the nation. A study of Internet usage of nearly 6,000 people between December 1996 and January 1997 found that 72 percent of white high school and college students, and just 32 percent of Blacks, owned a computer.<sup>13</sup>

By 1998, the search engine Yahoo was already valued at \$23 billion, which rivalled the value of the CBS network, while legacy newspapers were in decline. Between 1984 and 1998, average daily circulation had dropped from 63.4 million to 56.7 million.

But Omar Wasow's Black Planet, launched in 1999, perhaps best illustrated the potential of a digital platform published for and by a racial minority to become economically and socially viable. Black Planet, which offered news and information, also allowed users to easily interface with message boards, personal pages and a dating site that connected people in real time. The site was also free, except for members who elected to pay \$19.95 a month to see dating and employment profiles. Within a year, it became the most visited African American interest site on the Internet, with upwards of 18 million monthly users by 2008. Wasow credits the site's early success to software that made the experience dynamic and created a vibrant social community for African Americans, one that presidential candidate Barack Obama joined in 2007.

While Black Planet was profitable and poised for growth when Wasow left in 2005, he said Facebook, which went public in 2016, was growing ten times faster. Black Planet was sold to Radio One in 2008 for \$38 million, but soon after, it lost its foothold in cyberspace.

*“While Black Planet was profitable and poised for growth when Wasow left in 2005, he said Facebook, which went public in 2016, was growing ten times faster.”*

According to Wasow, staying competitive would have required substantially more investments in infrastructure and innovation to keep up with emergent technology. While Black Planet is relaunching without Wasow's involvement, he said the dominance of Facebook makes it difficult to replicate its previous success.

“They've sucked up most of the air,” he said.<sup>14</sup> “It's claimed almost all the real estate that is social media. Only a few companies can compete. Can you even get consumers' attention? That's an exceedingly hard thing to do right now. It's not impossible, but when we launched Black Planet, there was a lot of unclaimed real estate.”

He added that while the Black press is still needed, with a few exceptions, it no longer holds the dominant place it did for earlier generations.

“There's a broad set of institutions developed under Jim Crow and segregation that are struggling to stay relevant,” he said. “We're in a moment where the Negro Leagues didn't make it past the integration of baseball, broadly speaking. It's the gift of an integrated society, and the cost: Our institutions have paid a price.”<sup>15</sup>

*“Staying competitive would have required substantially more investments to keep up with emergent technology... the dominance of Facebook makes it difficult to replicate Black Planet’s previous success.”*

Wasow is among those who see the decline of the Black press – and the press more broadly – as a threat to civic society.

**“The watchdog function of the press is vital,” he said. It’s crazy that Black America – with more than 40 million people – doesn’t have major media.”**

## PERCEPTION VS. REALITY

While the digital divide along racial lines has today largely been closed (95 percent of Hispanics, 93 percent of whites, and 91 percent of Blacks are online), the skewed perceptions of minorities persist. For example, despite the stereotype of Blacks and Latinos as poor and uneducated, since 2010, the buying power of African-American consumers has increased 48 percent, more than the 43 percent for the total U.S. population. Black consumers also spend more time, on average, watching live TV and using mobile phones – which are both key targets for advertisers.<sup>16</sup>

The Selig Center for Economic Growth predicted that Black buying power will rise from \$1.3 trillion in 2017 to \$1.54 trillion in 2022, a 5.4 percent increase over the previous estimate of \$1.46 trillion in 2021.<sup>17</sup> According to the Center, the 108 percent increase in Black buying power between 2000 and 2017 outperformed the 87 percent rise in white buying power and the 97 percent increase in total buying power (all races combined) during the same period. The combined buying power of African Americans, Asian Americans, Hispanics and Native Americans is estimated to be \$2.4 trillion.<sup>18</sup>

Market research shows that the online African American consumer is in the same income and education category as their white counterparts. A Cyber Dialogue study found that 47 percent of online African Americans had college degrees compared to 43 percent for whites. And despite wide economic racial disparities between Blacks and whites in the general population, the median income for online African Americans was \$47,000, compared to \$52,000 for whites. African Americans who get their news online, like other Internet users, are more affluent than those who do not.<sup>19</sup>

For households in the \$60,000-\$90,000 income range, online penetration is 66 percent for African-Americans and 70 percent for the general population.

African-Americans also are more likely to use the Internet for purchases, while racial minorities generally are more likely to click on online advertisements, averaging 41 clicks per month, compared to 24 clicks per month for whites.

Still, the amount of advertising dollars targeted to Black-interest digital media declined 12 percent between 2017 and 2018, according to a Nielsen report. This decline coincided with the rise of Google and Facebook.

“Unfortunately, despite how much we watch television and look at our digital devices, it doesn’t add up to the [ad] spend that we’re seeing,” said Cheryl Grace, senior vice president of U.S. strategic community alliances and consumer engagement at Nielsen. “We’re watching more, and yet [advertisers] are spending less to reach us. This is a problem.”<sup>20</sup>

Today, roughly 95 percent of all web advertising dollars goes to the top 50 websites, according to eMarketer. And a 2001 Aspen Report on the fifteen ad-supported African-American websites showed the rates generally fall below the industry average of \$35 cost per thousand – or CPM – whereas rates as high as \$100 CPM are steered to small non-minority sites that focus on topics like computing and technology.

*“Today, roughly 95% of all web advertising dollars goes to the top 50 websites, and a 2001 Aspen Report on the 15 ad-supported African-American websites showed the rates generally fall below the industry average of \$35 CPM.”*

Negotiated rates for the top four African-American sites (BlackPlanet.com, BET.com, BlackVoices.com, and NetNoir.com) had been estimated to range from \$3 to \$35.21 for The Black World Today.com (www.tbwt.com), which averaged 3 million monthly page views.<sup>21</sup> In order to command higher rates, some minority-owned media have formed partnerships with majority-owned companies, with one recent example being Afronet and Sprint. (NetNoir, BlackVoices, and *The Root* also were acquired by or merged with non-minority concerns.)

The reasoning behind the rate disparity could be linked to the kind of racial stereotyping conveyed in a leaked internal memo at Katz Radio Group, which sold national ads to radio stations. Confirming what many minority publishers had long suspected, the 1998 memo explicitly advised advertisers not to place ads, even on some of the top Black and Hispanic stations.

“When it comes to delivering prospects, not suspects, the urbans deliver the largest amount of listeners who turn out to be the least likely to purchase,” the memo advised, sparking an apology from a Katz executive and calls for an FCC investigation. While some advertisers pledged to spend more on minority media, the problems of stereotyping and undervaluing minority media persist.

Dominant tech platforms, rather than helping to address this bias, often reinforce it. For example, a recent investigation by The Markup found that Google blocks advertisers from using social justice terms, including “Black Lives Matter” to find YouTube videos and channels to advertise on, a policy that undermines opportunities for publications that provide content critical to their communities to secure digital advertising.<sup>22</sup> Vice Media Group called on advertisers to stop including terms like Black Lives Matter and even “Black people” on blocklists.

In June 2020 a group of Black creatives filed a lawsuit against YouTube, alleging that its algorithms automatically remove videos with racial content that violate the company’s policies. According to the lawsuit, the company uses its “absolute, and unfettered control over access to approximately 95 percent of all video content that is available to the public ... to restrict and block Plaintiffs and other similarly situated competitors, based on racial identity or viewpoint discrimination for profit.”<sup>23</sup> A YouTube spokesman denied the allegations.

## UNDERVALUED AND UNDERSERVED

Joel Dreyfuss, the former managing editor of *The Root* – at the time owned by *The Washington Post* – who also held executive positions at *The Washington Post*, *Black Enterprise*, and *Fortune* magazine, said that pre-existing prejudices intensify the challenges posed by the Duopoly.

With advertisers focused more on the number of clicks than quality news or the public interest, minority media – given their smaller audiences – are at an economic disadvantage, even when they manage to secure online advertising.

Given the dominance of Facebook and Google, Dreyfuss and Wasow believe the future of all news media will eventually be based on a mix of foundation support and subscription models, rather than on advertising. Otherwise, said Dreyfuss, “Google and Facebook make it not a viable option.”<sup>24</sup>

## INTERVENTIONS AND NEW HORIZONS

A number of new start-ups are exploring economic models that will enable them to bypass the click-obsession that currently drives much of digital news media.

Akoto Ofori-Atta, one of the co-founders and executive editor of Capital B, a nonprofit local and national news platform geared to African Americans set to launch this year, said the platform will provide news content based on the potential to enlighten, rather than to generate clicks.

Ofori-Atta, the former managing editor at *The Trace*, said the idea for Capital B was born in the midst of the racial reckoning sparked by the Black Lives Matter Movement and the killing of George Floyd.

“I needed to be at a place that was cognizant of the need for new standards and new methods to make journalism a force at this time,” she said.<sup>25</sup> Her co-founder and close friend, Lauren Williams, was editor-in-chief at Vox. “She was also feeling the weight of all that was going on and basically asking the same questions. We had this moment. Do you want to? Should we?”

On June 11, 2020, the duo decided to leave their jobs to begin the process of launching a platform. “It’s time to trust Black journalists to do the work,” she said. “We knew there needed to be a national option for some narrative shifting that would reach people across the country. News from a Black perspective. That’s how Capital B was born.”

Rather than fight the Duopoly for advertising support for serious journalism geared to a minority audience, they turned to a nonprofit model. They were inspired by the way that ProPublica takes on weighty issues and, according to Ofori-Atta, put race and inequality at the center of its work.

“Black-led newsrooms with all of their rich and diverse perspectives, we need [to be] more able to do that kind of work,” she said.

However, she added, “It’s not really the kind of journalism advertisers are clamoring to get behind. Some corporations and brands are implicated in some of the problems. It’s never been monetizable. We knew the kind of work we wanted to do could not be done in a for-profit newsroom.”

They went on listening tours to see what issues local residents in cities like Atlanta cared about.

“If we do something really meaningful, some really meaningful journalism around voting rights in Atlanta that gets 1,500 people more informed, more aware, more prepared to be civically engaged, that’s impactful. The metrics are different ... We’re in a moment when the kind of work that needs to be done is on the ground, testing a lot of things that work.”

The economic model is based on diverse revenue streams from membership, philanthropy, and events. They looked to models like ProPublica and the *Texas Tribune*, which she said drew 20 percent of their revenue from membership, and “which confirmed the viability of a mission-based platform.”

“People are really activated around race and racism,” she said. “We just think there’s an opportunity to reach people who care about equity.”

They plan to begin in eight cities. “This is slow deliberate work,” she said. “This moment calls for a complete recalibration. That doesn’t translate into eyeballs.”

In 2020, Canela Media launched CanelaTV, a streaming service offering free Latino-interest films. About \$5 million in venture capital was raised to grow the platform. In 2021 ten of the nation’s largest Black newspapers joined forces on a digital platform called Word in Black. By pooling their resources, they hope to capture a larger audience.

In recognition of the crucial role local and ethnic media play in civic life, New York Mayor Bill de Blasio in 2019 signed Executive Order 47, which mandated that city agencies and the New York City Education Department, New York City Health and Hospitals, and the New York City Housing Authority spend at least half of their print and digital advertising budgets on community and ethnic media. In 2021, the New York City Council passed legislation to create the Mayor's Office of Ethnic and Community Media to support that effort.

In California, Governor Gavin Newsom and the state legislature allocated \$10 million in new funding in the 2021-22 budget for ethnic media to stem the tide of lost ad revenue and increased competition from media conglomerates. The funds will be channeled through state agencies.

## CONCLUSION

The same digital disruptions – chiefly the loss of advertising dollars – that have crippled the mainstream media have also devastated many minority news outlets that had never enjoyed a proportional share of advertising revenue relative to their large and growing readership numbers. While endurance has long been a hallmark of the sector, the cost of survival has, for many, translated into skeletal, under-resourced news operations that are unable to provide comprehensive news coverage or the kind of technological innovations that digital media now require. The ascendancy of Facebook and Google threatens the viability of the entire news industry and exacerbates the structural inequities – including a disparity in advertising dollars, resources and access to capital – that have long plagued minority media. These persisting inequities, which require a reconsideration of a broad set of public policies and practices, are now compounded by minority publishers' reliance on the very platforms that have upended and circumvented the role of the press as independent watchdogs in a democracy. The independence of the minority press is being further eroded by practices and policies that restrict the free exchange of ideas through platform algorithms and the blanket prohibition of phrases, terms, and indeed, viewpoints.

Among the solutions that have been proposed is passage of the Journalism Competition and Preservation Act pending before Congress which would allow “print, broadcast, or digital news companies to collectively negotiate with online content distributors (e.g., social media companies) regarding the terms on which the news companies' content may be distributed by online content distributors.” This would allow news publishers, including those of minority-owned news outlets – to derive the value of their audience – and the advertising revenue that audience generates.



## ENDNOTES

1. "How Covid-19 Supercharged the Advertising 'Triopoly' of Google, Facebook and Amazon," *The Wall Street Journal*, <https://www.wsj.com/articles/how-covid-19-supercharged-the-advertising-triopoly-of-google-facebook-and-amazon-11616163738>
2. Tony Romm, Cat Zahrzewski and Rachel Lerman, "House investigation faults Amazon, Apple, Facebook and Google for engaging in anti-competitive monopoly tactic," *The Washington Post*, October 6, 2020, <https://www.washingtonpost.com/technology/2020/10/06/amazon-apple-facebook-google-congress/>
3. "Key Findings About the Online News Landscape in America," Pew Research, November 9, 2019, <https://www.pewresearch.org/fact-tank/2019/09/11/key-findings-about-the-online-news-landscape-in-america/>
4. Mike Fannin, "The truth in Black and white: An apology from *The Kansas City Star*," *The Kansas City Star*, December 22, 2020, <https://www.kansascity.com/news/local/article247928045.html/>
5. Nielsen African American Intelligence Series 2020, "Power of the Black Community: From Moment to Movement," October 19, 2020, <https://www.nielsen.com/us/en/insights/report/2020/the-power-of-black-community-from-moment-to-movement/>
6. "Advertisers Are Slow to Focus on Black Media," Bloomberg.com, October 30, 2020, <https://www.bloomberg.com/news/articles/2020-10-30/advertisers-are-slow-to-focus-on-black-media-despite-promises>
7. Ellise Shafer, "GM CEO Mary Barra Accused of Racism in Ad Signed by Leaders of Black-Owned Companies," *Variety*, March 28, 2021, <https://variety.com/2021/biz/news/gm-ceo-mary-barra-racism-1234939806/>
8. Native American Journalists Association, "Red Press Initiative Survey," 2019, <https://najanewsroom.com/red-press-initiative/>
9. Angela Ford, Kevin McFall, Bob Dabney, African American Media Today, The Democracy Fund, February 2019 [http://democracyfund.org/wp-content/uploads/2020/06/2019\\_DF\\_AfricanAmericanMediaToday.pdf](http://democracyfund.org/wp-content/uploads/2020/06/2019_DF_AfricanAmericanMediaToday.pdf) the *Atlanta Black Star*. Average monthly unique visitors for the *Atlanta Black Star* rose to 2.75 million in 2016, a 236 percent increase from 2015.
10. Telephone interview with Mark Trahan, November 16, 2021.
11. Telephone interview with Dr. Benjamin Chavis, November 17, 2021.
12. Mark Perry, "Creative Destruction: Newspaper Ad Revenue Continued its Precipitous Fall," American Enterprise Institute, April 30, 2015, <https://www.aei.org/carpe-diem/creative-destruction-newspaper-ad-revenue-continued-its-precipitous-free-fall-in-2014-and-its-likely-to-continue/>



13. Donna L. Hoffman and Thomas P. Novak, "Bridging the racial divide on the Internet," *Science*, Vol. 280, Issue 5362, April 17, 1998, [https://go.gale.com/ps/i.do?id=GALE%7CA20552717&sid=googleScholar&v=2.1&it=r&linkaccess=abs&issn=00368075&p=AONE&sw=w&userGroupName=nysl\\_oweb&isGeoAuthType=true](https://go.gale.com/ps/i.do?id=GALE%7CA20552717&sid=googleScholar&v=2.1&it=r&linkaccess=abs&issn=00368075&p=AONE&sw=w&userGroupName=nysl_oweb&isGeoAuthType=true)
14. Telephone interview with Omar Wasow, November 18, 2021.
15. Ibid.
16. Statista, "Share of Adults Who Use the Internet in 2021, by ethnicity," April 14, 2021, <https://www.statista.com/statistics/327134/internet-usage-usa-ethnicity>
17. "Selig Center's Multicultural Economy Report shows combined buying power of \$3.9 trillion." *UGA Today*, March 12, 2019, <https://news.uga.edu/multicultural-economy/>
18. Ibid.
19. Study cited in "Reinventing Minority Media for the 21st Century," The Aspen Institute, 2001, <https://www.aspeninstitute.org/wp-content/uploads/files/content/docs/cands/DIVERSITY.PDF>
20. R. Thomas Umstead, "African Americans Are Leaders in Media Consumption," NextTV.com, September 15, 2019, <https://www.nexttv.com/blog/african-americans-are-leaders-in-media-consumption>. Also see Nielsen's study, "It's in The Bag: Black Consumers' Path to Purchase," September 12, 2019, <https://www.nielsen.com/us/en/insights/report/2019/its-in-the-bag-black-consumer-path-to-purchase/>
21. Kofi Aseidu Ofori, "Reinventing Minority Media for the 21st Century," The Aspen Institute, 2001, <https://www.aspeninstitute.org/wp-content/uploads/files/content/docs/cands/DIVERSITY.PDF>
22. Leon Yin and Aaron Sankin, "Google Blocks Advertisers from Targeting Black Lives Matter YouTube Videos," *The Markup*, April 9, 2021, <https://themarkup.org/google-the-giant/2021/04/09/google-blocks-advertisers-from-targeting-black-lives-matter-youtube-videos>
23. Todd Spangler, "Vice Urges Advertisers to Stop Blocking 'Black Lives Matter' and Related Keywords," *Variety*, June 24, 2020, <https://variety.com/2020/digital/news/vice-advertiser-block-black-lives-matter-keywords-1234648046/>
24. Interview with Joel Dreyfuss, November 3, 2021.
25. Telephone interview with Akoto Ofori-Atta, November 3, 2021.

**AMERICAN  
ECONOMIC  
LIBERTIES  
PROJECT**

