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Breaking news: Newspaper closures hurt Ohio communities

Public policy can support the industry and protect democracy

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Introduction & executive summary

Newspapers are important threads in the fabric of Ohio's communities. At the community level, they tell us when a neighbor dies, whether a new restaurant is worth visiting, which high school won the basketball game (with a clippable summary for the proud parents). More importantly, they uncover and explain our community's most serious issues. In 2017, the Cincinnati Enquirer dispatched more than 60 reporters, photographers and videographers to chronicle "an ordinary week" in the lives of people touched by the drug crisis, earning the paper a Pulitzer Prize.¹ Tireless reporting at the Cleveland Plain Dealer exposed the lead poisoning crisis harming the city's children – especially those who are poor and black – and the city's lackluster response to it.² A Dayton Daily News series recently reported on concerns about the city's water supply.³

In 2018, The Youngstown Vindicator mapped the connections between public officials embroiled in a corruption investigation, including a former mayor.⁴ The mayor will stand trial next year.⁵ Unfortunately, the people of Youngstown and Mahoning County won't be able to rely on the Vindicator much longer. In June 2019, the paper's owners, a local family, announced they would shutter the paper and its website on August 31, 2019 in the wake of struggles with declining circulation at the 150-year-old paper. In the 1970s the Vindicator reached more than 100,000 every day and 160,000 on Sunday. Today, those numbers have slipped to 25,000 and 32,000, respectively.⁶ When it closes, Youngstown, with a population of 65,000, will be the largest city in America without a newspaper.⁷

The Vindicator is just the latest casualty in Ohio's fading newspaper industry. Today, Ohio has 32% fewer newspapers than it did in 2004, according to the University of North Carolina School of Media and Journalism.⁸ Independent publishers, like the family who owns the Vindicator, struggle to make a profit. Big media companies – some run by hedge funds – swoop in and gobble up papers, consolidating operations within the state and outsourcing some operations to hubs located elsewhere. Ohio has been ground zero for newspaper mergers and consolidations. That trend is likely to intensify with GateHouse Media – owner of the Columbus Dispatch, the Akron Beacon Journal and others – making a play to purchase Gannett, which owns the Cincinnati Enquirer and 10 other Ohio papers.⁹ After such mergers,

¹ "Enquirer Wins Pulitzer Prize for Seven Days of Heroin Coverage." Cincinnati Enquirer. Accessed July 17, 2019. <http://bit.ly/2XUu81L>.

² Dissell, Rachel, and Brie Zeltner. "Toxic Neglect: Curing Cleveland's Legacy of Lead Poisoning." The Plain Dealer. Accessed July 17, 2019. <http://bit.ly/2Kh7PPc>.

³ Garbe, Will. "Contaminants in Dayton water above what some states consider safe." Accessed July 17, 2019. <http://bit.ly/30Gb1dM>.

⁴ Skolnick, David, and Justin Wier. "Former MS Consultant Official at Heart of Corruption Probe." The Youngstown Vindicator. Accessed July 17, 2019. <http://bit.ly/2O3GL14>.

⁵ Skolnick, David. "Prosecutor Objects to Sammarone's Request for a Separate Trial." The Youngstown Vindicator, June 29, 2019.

Accessed July 17, 2019. <http://bit.ly/2XXEOws>.

⁶ Sullivan, Margaret. "'Democracy ... Is about to Die in Youngstown' with Closing of the Local Newspaper." The Washington Post, July 7, 2019. <https://wapo.st/2Sn7yOt>.

⁷ Ibid.

⁸ Abernathy, P., "The Expanding News Desert" The Center for Innovation and Sustainability in Local Media School of Media and Journalism University of North Carolina at Chapel Hill. 2018. <http://bit.ly/2XVLvz9>. See Ohio news deserts: <http://bit.ly/2ypOvcE>.

⁹ Kosman, Josh, and Keith J. Kelley. "GateHouse Media Poised to Buy Gannett." The New York Post, July 17, 2019. Accessed July 17, 2019. <https://nypost.com/2019/07/18/gatehouse-media-poised-to-buy-gannett>.

many newspapers become “ghosts” of their former selves, struggling to cover local news with reduced staff.¹⁰

When it closes, 144 Vindicator employees and about 250 newspaper carriers will lose their jobs.¹¹ Between 2004 and 2017, Ohio’s total newspaper publishing employment—which includes upper management, advertising and circulation employees, clerks, truck drivers, and others in addition to the standard newsroom staff—dropped from 15,643 to 6,506, a loss of more than half of the industry. The number of people who report, edit, photograph and produce the news (we refer to these positions as newsroom jobs) fell from 2,870 in 2012 (the earliest available year for data) to 1,640 in 2018—a drop of approximately 42.9%. Even worse, although many of these jobs require a college degree, the annual median wage of a news reporter in Ohio was only \$32,020 in 2018, below the median annual wage for all Ohio jobs of \$37,356.¹²

The founding fathers warned that newspapers are indispensable in preserving democracy. Recent studies validate this. Research shows that when newspapers close, voter turnout and civic engagement drop.¹³ Newspapers help government work better. After local newspapers close, governments borrow more and become more inefficient, according to a recent report. Communities of color especially value local news. When newspapers close, they lose an important source of information.¹⁴

Because the news media—often called the fourth estate—plays an indispensable role in upholding democracy and connecting communities, it’s what economists call “a public good.” This presents a case for providing public policy support. While some communities have benefited from the rise of digital outlets and nonprofit journalism, these important outlets cannot completely fill the void left by newspapers. Nor do the moves by news organizations within and outside the Mahoning Valley to create additional news options in Youngstown, welcome as they may be, fully replace the Vindicator. The state of Ohio recognizes the importance of journalism, providing funding for the Statehouse News Bureau and public broadcasting. As the newspaper industry at large will likely continue to struggle in coming years, several policies can help ensure Ohio’s communities don’t go without good journalism.

- The General Assembly should build on its longstanding appropriations and boost support for public broadcasting by \$5 million a year. Stations in Youngstown and other areas that have lost traditional media could also apply for funds, which like the existing funds could be administered through the Broadcast Educational Media Commission.
- State legislators should follow the lead of their counterparts in New Jersey and invest in efforts to strengthen local journalism through collaboration with educational institutions and community organizations.
- Ohio should examine other public policy solutions to the crisis in local journalism.

¹⁰ Abernathy, P., “The Expanding News Desert” The Center for Innovation and Sustainability in Local Media School of Media and Journalism University of North Carolina at Chapel Hill. 2018. <http://bit.ly/2XVLvz9>.

¹¹ Allard, Sam. “Youngstown Vindicator to Close Due to Financial Hardship, Hundreds to Lose Jobs.” The Cleveland Scene, July 1, 2019.

¹² Using BLS data for media hourly wage of \$17.95 and multiplying that by 40 (typical work week hours) and 52 (weeks in the year). https://www.bls.gov/oes/current/oes_oh.htm.

¹³ Danny Hayes and Jennifer L. Lawless, “As Local News Goes, So Goes Citizen Engagement: Media, Knowledge, and Participation in US House Elections,” The Journal of Politics 77, no. 2 (April 2015): 447-462. <https://doi.org/10.1086/679749>

¹⁴ Pew Research Center, March, 2019. “For Local News, Americans Embrace Digital but Still Want Strong Community Connection.”

- Congress should approve legislation allowing traditional media enterprises to become nonprofits, assuming there are guardrails to ensure that the priority is public service and investment in news coverage; and
- A national tax should be enacted on the multi-billion-dollar online platforms like Facebook and Google that dominate digital advertising. The money could be used to create an endowment to support independent journalism. Ohio should not provide additional subsidies like those it has given these companies in connection with data centers set up in the state.

Ohio's policymakers need to take steps to fill the gap in Youngstown and other Ohio localities, while seriously considering more far-reaching solutions.

An industry in crisis

Newspapers everywhere are closing at an alarming rate. Between 2004 and 2018, the United States lost nearly 1,800 papers, the overwhelming majority of which were weeklies.¹⁵ During that time, national weekday circulation dropped from 122 million to 73 million. With more than 100 newspapers shuttered, Ohio has 32% fewer newspapers today than it did in 2004, according to the University of North Carolina School of Media and Journalism. Total circulation in the state fell by 47%, from 5.5 million to 2.9 million.¹⁶

Many newspapers that remain are ghosts of their former selves, struggling to cover local news with reduced staff. In April 2019, The Plain Dealer laid off 14 reporters, editors and photographers, following earlier buyouts and layoffs that slashed its staff. In May, The Plain Dealer's owner, Advance Publications, dismantled the paper's publication hub and outsourced 20 editing, illustration and design unionized positions.¹⁷ The paper had already reduced home delivery of its print edition from seven days a week to four.¹⁸ In February 2019, the Toledo Blade announced it would also reduce home delivery by two days.¹⁹ Blade staff have been forced to make "concessionary contracts" with the paper's publisher, Block Communications. A staffer said they have gone almost 17 years without a raise, have lost vacation time and are paying more for health care premiums.²⁰ Also in 2019, as part of a massive restructuring by their parent company GateHouse Media, the Columbus Dispatch laid off six staffers and the Akron Beacon Journal let go of seven.²¹ The Akron paper reduced its regular newsroom staff from about 170 two decades ago to just 30.²² The Dispatch editorial staff – including both full

¹⁵ Abernathy, P. (2018).

¹⁶ Sullivan, M. (2019).

¹⁷ Plain Dealer News Guild Facebook Post, April 1, 2019. <http://bit.ly/2yc5Ype>.

¹⁸ Cleveland News 19, August 5, 2013. <http://bit.ly/2Y5HP2P>.

¹⁹ "The Blade to Be Delivered Electronically Mondays, Tuesdays." The Toledo Blade, February 25, 2019. Accessed July 19, 2019.

<http://bit.ly/2JPvFh6>.

²⁰ "Yes, we have taken multiple concessionary contracts since our last raise nearly 17 years ago. Health care premiums, vacation time, 401k, that kind of stuff." Twitter Conversation with Toledo Blade reporter, Jay Skebba 7/10/19. <http://bit.ly/300HHBM>.

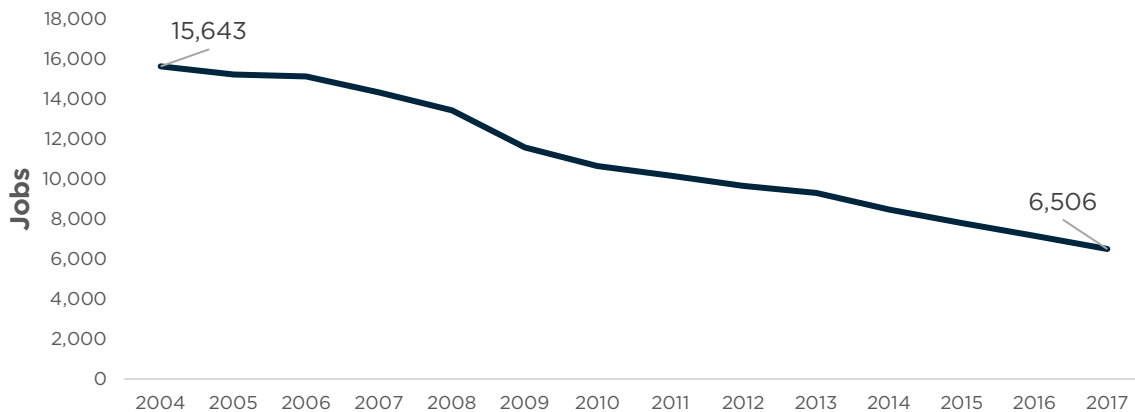
²¹ Allard, Sam. "More Ohio journalists slashed as GateHouse Media continues purge." Cleveland Scene. May 24, 2019. Accessed July 25, 2019. <http://bit.ly/2Gt7flz>.

²² These numbers exclude part-time sports statisticians, and a handful who work for Ohio.com. Conversation with Rollie Dreussi, executive secretary, Northeast Ohio Newspaper Guild, CWA-Local 1, July 17, 2019.

and part time – plunged from 223 in 1993 to 108 today.²³ The Vindicator, too, has cut back. On the eve of its closure, the Vindicator has 35 staff working in the newsroom, with several positions left unfilled. In 2004, it had 75 newsroom staffers.²⁴

Ohio’s newspaper industry as a whole—which includes upper management, advertising and circulation employees, clerks, truck drivers, and more, in addition to the standard newsroom staff—has hemorrhaged jobs over the past decade. Ohio had 15,643 jobs in the newspaper industry in 2004. In 2017, there were only 6,506. That’s a loss of more than half of the industry in less than 15 years.

Chart 1
Ohio’s Newspaper Publishing Industry Jobs, 2004-2017



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Cuyahoga, Franklin, and Hamilton Counties (the homes of Ohio’s three largest newspapers, the Plain Dealer, the Columbus Dispatch and the Cincinnati Enquirer) all lost at least 50% of their newspaper jobs between 2004 and 2017. In Cuyahoga County newspaper jobs dropped by a staggering 76.9%.

Table 1
Ohio Newspaper Publishing Industry Jobs: 2004 and 2017

	2004	2017	Change	Percentage Change
Statewide	15,643	6,506	-9,137	-58.4%
Cuyahoga	2,038	470	-1,568	-76.9%
Franklin	1,753	645	-1,108	-63.2%
Hamilton	1,496	624	-872	-58.3%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

The core of the newspaper publishing industry is the newsroom staff; these are reporters, editors, photographers and designers. They gather, write and edit the news and design how it’s presented to the public. Table 2 uses data from the U.S. Bureau of Labor Statistics’

²³ From an anonymous source with knowledge of the Dispatch’s operations.
²⁴ Caitlin Johnson email with Vindicator Publisher, Mark Brown. July 24, 2019.

Occupational Employment Statistics to track these jobs from 2012 to 2018. The results show a troubling pattern: Ohio’s newspapers have steadily but significantly reduced the number of key players in their newsrooms, hampering their ability to put out quality work. In 2018, the number of employees working in Ohio’s newsrooms was about 1,640, compared to 2,870 in 2012; that’s a drop of approximately 42.9% (or 1,230 jobs) in just 6 years. And that doesn’t account for earlier cutbacks which already had reduced newsroom staff. When it comes to individual occupations in the newsroom, the job losses are across the board—all four measured occupations have lost over 35% of their 2012 count, with the largest losses being in graphic designers and photographers. Furthermore, the 37.7% loss in reporters and correspondents speaks to a worrying decline in the amount of news that Ohio’s newspapers have the capacity to collect from their local communities. The employment data reveals what is often invisible from the outside: Without sufficient staff, even the newspapers that have evaded shutdown are seriously struggling to perform like they used to. As a result, Ohio’s newspapers are becoming skeletons of their former selves.

Table 2

Ohio Newsroom Staff, 2012-2018

		2012	2013	2014	2015	2016	2017	2018	Change	% Change
Newsroom Staff, Total	Total Employment	2,870	2,360	2,060	1,890	1,870	1,750	1,640	-1,230	-42.9%
	Graphic Designers	460	340	290	340	300	290	240	-220	-47.8%
	Annual Median Wage*	\$34,780	\$36,746	\$33,900	\$32,843	\$32,894	\$37,514	\$39,490	\$4,710	13.5%
Reporters and Correspondents	Total Employment	1,300	1,080	990	950	950	860	810	-490	-37.7%
	Annual Median Wage*	\$33,675	\$30,386	\$28,660	\$27,355	\$28,604	\$30,098	\$32,020	-\$1,655	-4.9%
Editors	Total Employment	910	800	650	520	540	510	490	-420	-46.2%
	Annual Median Wage*	\$53,241	\$50,964	\$46,936	\$45,641	\$51,162	\$50,494	\$49,110	-\$4,131	-7.8%
Photographers	Total Employment	200	140	130	80	80	90	100	-100	-50.0%
	Annual Median Wage*	\$36,453	\$36,477	\$40,201	\$33,690	\$32,643	\$37,545	\$37,320	\$867	2.4%

Source: Bureau of Labor Statistics, Occupational Employment Statistics Research Estimates by State and Industry. *Adjusted to 2018 dollars.

The people gathering and producing the news are the core of the newspaper industry, but that’s not often reflected in their pay. The annual median wage of a news reporter in Ohio, as shown in Table 2, was only \$32,020 in 2018 (compared to the Ohio median annual wage of \$37,356).²⁵ On top of that, many newsroom jobs require or prefer a bachelor’s degree and reliable transportation. Not only do newsroom employees earn low wages, they often have to pay student and car loans. With wages so low, it can be hard for newspapers to attract and retain talent. A recent ad for a general assignment reporter at the Logan Daily News offered a salary of \$22,880 a year (low enough for a family of three to qualify for food assistance).²⁶ The position requires the reporter to take photographs and video and be proficient in social

²⁵ Based on the hourly median wage, the median full-time worker in Ohio made \$37,356 a year

²⁶ Halbert, Hannah, May 1, 2019. Working for less: Too many jobs still pay too little, 2019. <http://bit.ly/2GpYoM5>

media. It also says weeknight and weekend assignments “are part of the job.” The applicant must have their own transportation and a bachelor’s degree in journalism or a related field is “strongly preferred.”²⁷

THE MOVE TO UNIONIZATION

Recently, journalists in Ohio and beyond have pushed back against low pay and paltry benefits – especially among those working for digital media organizations. Since 2017, some 30 media organizations have unionized with the Writers Guild of America East and NewsGuild (formerly the Newspaper Guild) representing a spike not seen since the advent of such unions in the 1930s.²⁸ The increase is driven by dismal conditions at digital media companies and legacy newspapers including disagreements with management, low pay, meager benefits and long hours.²⁹ While management at some outlets have been receptive to the unionization drives, many journalists have had to fight pitched battles with their organizations’ owners like at Slate, Vox, The Los Angeles Times, The Chicago Tribune³⁰ and most recently BuzzFeed.³¹ The owner of the news sites DNAinfo and Gothamist was so vehemently anti-union that he shut down both publications only a week after they unionized.³² However, successful unionizations have led to a spate of improvements at media companies. Journalists at outlets like Thrillist, Gawker and Vox got better wages and longer parental leave while the Los Angeles Times, The Intercept, Slate and the HuffPost all won diversity-promoting measures.³³

Ohio’s Union Newspapers	
Newspaper	Owner
The Cleveland Plain Dealer	Advance Publications
Toledo Blade	Block Communications
The Dayton Daily News	Cox Media Group
Springfield News Sun	Cox Media Group
Akron Beacon Journal	GateHouse Media
Canton Repository	GateHouse Media
Massillon Independent	GateHouse Media
Youngstown Vindicator	Vindicator Printing Co.

Source: “Where Our Members Are,” [NewsGuild](#)

Journalists at eight of Ohio’s largest daily newspapers are represented by the NewsGuild (formerly the Newspaper Guild), but when the Vindicator closes, that number will be down to seven. Advance Publications, which owns the Plain Dealer, has been slashing the paper’s union staff and building up its nonunion digital operations.³⁴

²⁷ “General Assignment Reporter The Logan Daily News, Logan, Ohio.” JournalismJobs.org. Accessed July 18, 2019. <http://bit.ly/2SriPrZ>.

²⁸ Marisa Fernandez and Sara Fischer. “More than 30 media companies have unionized in the last 2 years.” Axios. April 9, 2019. <http://bit.ly/2K2vV10>.

²⁹ Steven Greenhouse. “Why Newsrooms Are Unionizing Now.” Nieman Reports. March 21, 2019. <http://bit.ly/2Ya6gwc>.

³⁰ Ibid.

³¹ Marc Tracy. “Buzzfeed Is Part of a Union Wave at Digital Media Outlets.” New York Times. June 18, 2019. <https://nyti.ms/2Gzvg95>.

³² Greenhouse, (2019).

³³ Ibid.

³⁴ Allard, Sam. Dec 28, 2018. Plain Dealer Busts Union, Moves Forward With Plan to Cut 29 Local Journalism Jobs. <http://bit.ly/2y8yAPO>.

Could unionization be a strategy to protect journalism jobs? Some reporters around the country seem to think so. Along with big name publications and digital media companies, several mid-sized papers have recently unionized. They include the Hartford Courant,³⁵ the Allentown Morning Call,³⁶ The Virginian-Pilot (in Norfolk) and the Newport News Daily Press, all of which are owned by the virulently anti-union Tribune Publishing Company.³⁷ However, unionization is no panacea. The Youngstown Vindicator was union and is closing, and the Plain Dealer³⁸ and the Akron Beacon Journal, both union, have endured round after round of layoffs.³⁹ A recent movement to unionize the Columbus Dispatch ended in failure.⁴⁰ Despite that, the positive results of the recent wave of unionization across the media landscape are bright spots amid an increasingly difficult situation for traditional local reporting.

How did we get here?

The data paints a bleak picture for the newspaper industry, but most Americans don't seem to realize it, according to the Pew Research Center. They found earlier this year that 71% of Americans think their local news outlet is doing well financially and in the past year, only 14% of Americans paid for news.⁴¹ The research center found that 41% of Americans prefer television for local news coverage, compared to 37% who get their news online, 13% who like to read the newspaper and 8% who listen to the radio. Of those who read the newspaper, 43% consume the news digitally.⁴² Even 68% of those who prefer getting news offline consume some news online as well.⁴³

THE RISE OF DIGITAL MEDIA

In 2018, total digital advertising revenue topped \$100 billion, up by 22% compared to 2017.⁴⁴ Classified advertising, once a key contributor to newspaper revenues, fled years ago to Craigslist and elsewhere. As Americans increasingly turn to free news online, newspapers haven't been able to make money off the digital ad boom. Facebook and Google, not news outlets, are the big winners, by some reports raking in a combined 60% of U.S. digital ad revenue last year.⁴⁵ That number jumped to 77% in local markets.⁴⁶ In some cases, digital platforms could be directly contributing to putting newspapers out of business. A recent

³⁵ Max Reiss. "Hartford Courant Employees Form Union." NBC Connecticut. Feb 11, 2019. <http://bit.ly/312cQI8>.

³⁶ Morning Call Staff. "Morning Call journalists vote to unionize." The Morning Call. March 19, 2019. <http://bit.ly/2K0wxUQ>.

³⁷ Avie Schnieder. "Tronc agrees to Let Its Virginia Newsrooms Unionize." National Public Radio. September 14, 2018.

³⁸ Sam Allard. "Plain Dealer Editor Announces 12 Reporters and Editors Will Lose Jobs, Decimating Print Newsroom." Cleveland Scene. March 15, 2019. <http://bit.ly/2LNfs2J>.

³⁹ David C. Barnett. "New Layoffs at Akron Beacon Journal." Ideastream. May 24, 2019. <http://bit.ly/2YtLS8G>.

⁴⁰ Tom Knox. "Columbus Dispatch employees, facing more job losses, mull union move." Columbus Business First. August 26, 2016. <http://bit.ly/2MnKjCl>.

⁴¹ Pew Research Center. "For Local News, Americans Embrace Digital but Still Want Strong Community Connection." March 26, 2019. <https://pewrsr.ch/2xR6CrS>.

⁴² Ibid.

⁴³ Ibid.

⁴⁴ Graham, Megan. "Digital Ad Revenue in the US Surpassed \$100 Billion for the First Time in 2018." CNBC. May 7, 2019. <https://cnb.cx/2Z0ORT5>.

⁴⁵ Wagner, Kurt. "Digital Advertising in the US Is Finally Bigger than Print and Television." Vox. February 20, 2019. <http://bit.ly/2Sp7c9T>.

⁴⁶ Hagey, Keach, Lukas Alpert, and Yaryna Serkez. "In News Industry, a Stark Divide Between Haves and Have-Nots." The Wall Street Journal, May 9, 2019. <https://on.wsj.com/2Gsuir8>.

study from Journal of Financial Economics found that when the classified ad website Craigslist expands into a new city, the likelihood that a newspaper will close goes up by 10 percentage points.⁴⁷

Meanwhile, advertisers keep moving away from newspapers – both in print and online. Total advertising revenue for publicly traded newspaper companies fell by 13% from 2017 to 2018.⁴⁸ Papers are making more money from digital ads, up from 17% of total revenue in 2011 to 35% in 2018,⁴⁹ but so far it doesn't seem to be enough to compensate for all the other factors working against the industry. Total advertising revenue for publicly traded newspaper companies fell to \$14.3 billion in 2018, a drop of 13% from 2017. Circulation revenue also fell by about 2%.⁵⁰

MEDIA BARONS SINK THEIR TEETH INTO OHIO

Against this backdrop, huge media conglomerates are gobbling up papers across the country. Each year, the nation loses about 100 newspaper companies, as big companies take over smaller, local papers – sometimes bringing them under the umbrella of a larger regional paper, sometimes cutting staff and outsourcing some positions to a national office, sometimes closing them altogether. In 2018, the largest 25 companies owned nearly one-third of all papers – including two-thirds of all dailies – an increase of 20% since 2004. The 10 largest companies own almost half the nation's daily papers.⁵¹ Ohio stands out from the rest. “Perhaps in no state has the move toward regional consolidation been more feverish than in Ohio,” wrote authors of the UNC Media Deserts report. Since 2014, 30% of the state's papers have changed ownership. Five of the nation's largest newspaper chains – GateHouse, Gannett, Adams, AIM and Ogden – own nearly 120 papers in Ohio, according to the UNC report.

GateHouse, owned by the publicly traded New Media Investment Group Inc. but managed by the \$70 billion Fortress Investment Group, uses this playbook with its Ohio acquisitions as well. Before purchasing the Columbus Dispatch and 20 smaller papers in 2015, the company owned a handful of papers, mostly in Northeast Ohio. The Dispatch became the cornerstone of GateHouse's Ohio operations. By 2018, it owned 50 Ohio papers, including the Akron Beacon Journal. Researchers at UNC wrote that “GateHouse has also pioneered the concept of appointing publishers and editors at a larger newspaper to be responsible for the day-to-day supervision and decision-making for other smaller papers in the same geographic region, permanently eliminating those high-paying positions at the smaller publications. This trend in consolidation and outsourcing leads to the merger of papers, resulting in further cutbacks in newsroom staffing.”⁵² Marketing, editing and design operations for GateHouse's 200 papers are centralized at a center in Austin, Texas.⁵³ Advance Publications used a similar business model when they made cuts at the Plain Dealer.

⁴⁷ Gao, Pengjie and Lee, Chang and Murphy, Dermot. “Financing Dies in Darkness? The Impact of Newspaper Closures on Public Finance.” October 18, 2018. Journal of Financial Economics. Forthcoming. Available at <https://ssrn.com/abstract=3175555>.

⁴⁸ “Trends and Facts on Newspapers: State of the News Media.” Pew Research Center's Journalism Project. July 09, 2019. <https://pewrsr.ch/2JQol2C>.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Abernathy, P. (2018).

⁵² Ibid.

⁵³ Ibid.

Newspapers account for under 2% of Fortress Investment Group’s revenue, but the firm is aggressive about merging and closing papers it sees as underperforming. Meanwhile, as newspaper revenue dwindles, it is focusing on its other investments, according to the UNC study.⁵⁴

In 2016, Civitas Media owned 36 papers in Ohio, including 16 small dailies. By 2017, the company had sold all its Ohio papers to AIM. Civitas was formed by Versa Capital Management in 2012, after the investment firm bought four small newspaper chains in bankruptcy proceedings.⁵⁵ “Versa’s focus is on purchasing distressed properties, streamlining operations and then selling the assets,” according to the UNC report. Now, all but four of 90 papers Civitas once owned are in the hands of nine different companies.⁵⁶ All of its Ohio papers were sold. Eight of the weeklies it owned no longer exist.

Ohio’s newspaper feeding frenzy shows no signs of stopping. In February, Cox Enterprises, which has owned the Dayton Daily News since 1898, agreed to form a new company with private equity company, Apollo Global Management LLC. Under the deal, the new Atlanta-based company will own the Daily News, WHIO-TV, and 12 other Cox newspapers and radio stations in Ohio. Cox will retain a minority stake in the new company.⁵⁷ Apollo and Cox reached a final agreement in June and now await approval from the Federal Communications Commission.⁵⁸

Meanwhile, GateHouse continues to make big plays in Ohio, going after the nation’s largest newspaper chain, Gannett. Gannett, which owns USA Today, owns 11 daily newspapers in Ohio, covering 11 counties. Its Ohio flagship paper, the Cincinnati Enquirer, serves the greater Cincinnati metro area, including parts of northern Kentucky.⁵⁹ GateHouse’s 50 Ohio papers, both daily and weekly, are spread across 16 Ohio counties, including papers in some of the most populated areas, like the Columbus Dispatch, the Akron Beacon Journal and the Canton Repository.⁶⁰ Map 1 shows the number of counties where a Gannett and/or GateHouse paper is located. Two counties have both GateHouse and Gannett papers – usually a daily and one or more weeklies. If the merger goes through, GateHouse will own papers in more than a quarter of all Ohio’s counties – including three of the most populous, Hamilton, Franklin and Summit.

⁵⁴ Ibid.

⁵⁵ Ibid.

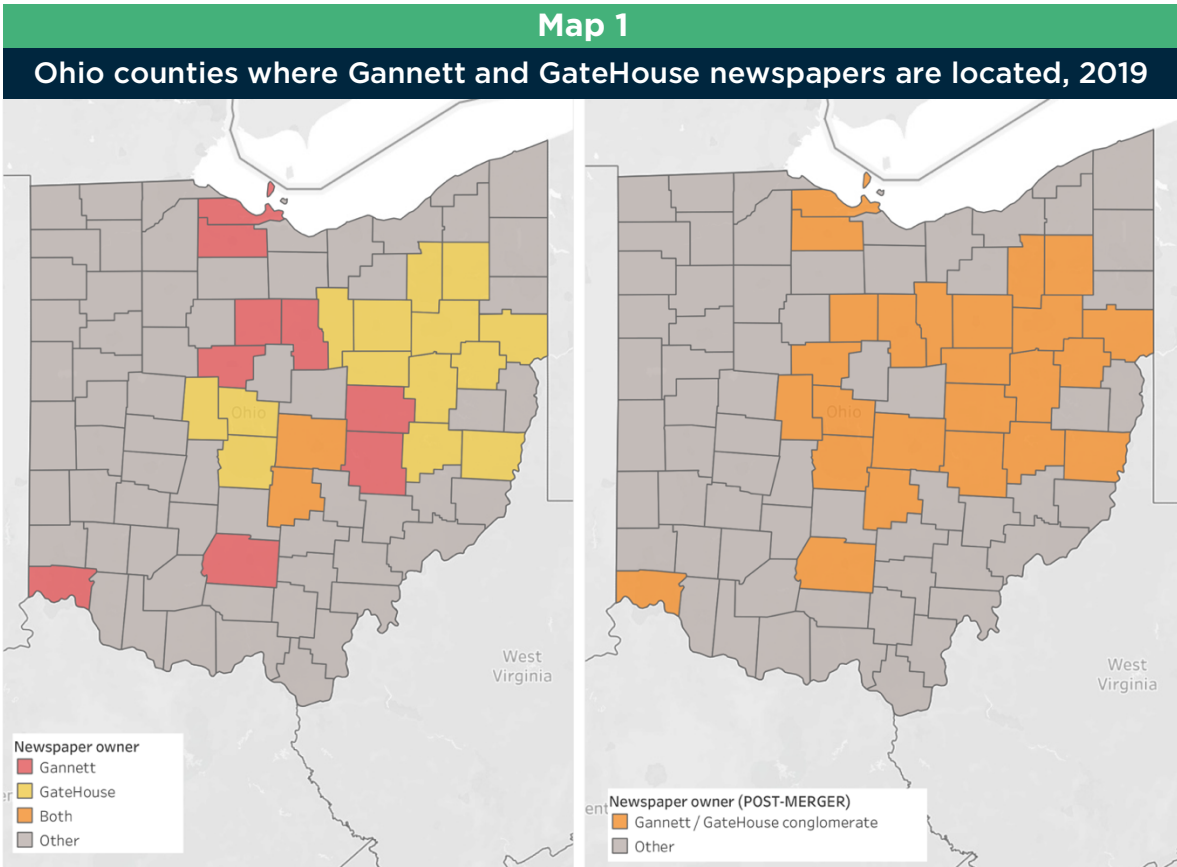
⁵⁶ Ibid.

⁵⁷ Gnau, Thomas. “Cox, Apollo Agree to Form Private Company.” The Dayton Daily News, February 15, 2019. <http://bit.ly/30Jrwpo>.

⁵⁸ Jacobson, Adam. “FCC Media Bureau Wants Public Say On Cox/Apollo Deals.” Radio Television Business Report. July 12, 2019. <http://bit.ly/32GQLdR>.

⁵⁹ <https://www.gannett.com/brands>

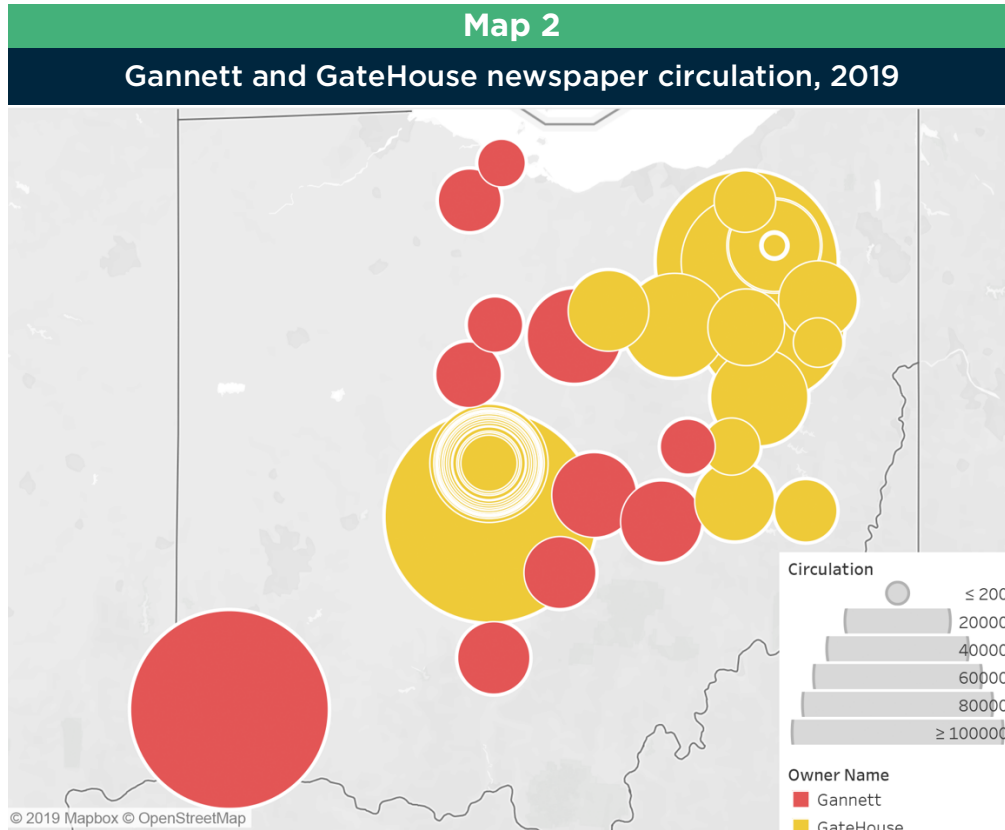
⁶⁰ <http://www.gatehousemedia.com/our-markets>



Source: Data provided by UNC School of Journalism and Media, 2019. Map created by Ben Stein.

Both the Cincinnati Enquirer and the Columbus Dispatch have reporters dedicated to covering news at the statehouse. Given both companies' history of consolidation and regionalization, it raises questions about how many papers – and reporters – will survive this merger. Map 2 illustrates the relative size of the circulation of papers owned by both companies. If the merger goes through, GateHouse will own four of Ohio's 10 largest papers: the Columbus Dispatch, with 105,917 in circulation, the Cincinnati Enquirer with 86,345, the Akron Beacon Journal with 70,624 and the Canton Repository with 42,968.⁶¹

⁶¹ Data provided by Alex Dixon of UNC School of Journalism and Media.



Source: Data provided by UNC School of Journalism and Media, 2019. Map created by Ben Stein.

INDEPENDENTS STRUGGLE TO KEEP UP

The 150-year-old Youngstown Vindicator has been owned by members of the local Maag-Brown family since 1887.⁶² Describing the decision to close the Vindicator as gut wrenching, they said could not justify keeping it open when the paper lost money in 20 of the last 22 years and two potential buyers fell through.⁶³ It's a common fate for independent newspapers: When margins become too tight, either find a chain to buy or close. It's even more difficult for small markets with a high share of people living in poverty – like Youngstown. The UNC study found that about two-thirds of counties where independent papers remain have higher than average poverty rates. That means they have less flexibility about generating revenue by raising prices or installing a payroll.⁶⁴

⁶² Grzelewski, Jordyn. "The Vindicator, Youngstown's Daily Newspaper, Will Close after 150 Years." Cleveland.com. June 28, 2019. <http://bit.ly/2XUERCw>.

⁶³ Sullivan, M. (2019)

⁶⁴ Abernathy, P. (2018)

Implications for Ohio communities

Although Vindicator readership has declined drastically, members of the community know what they will lose when it closes. A woman at a community meeting soon after the announcement spoke for many when she said, “I feel gob-smacked.” Who will attend the school board and city council meetings to keep track of the public’s business? The Vindicator was an important element in exposing organized crime, noted another speaker. “We will not have coverage of corruption we know goes on in Youngstown,” said another. Charles Jarvis, publisher of the Warren Tribune Chronicle, noted at the meeting: “We will not replace The Vindicator. There is no replacing a newspaper that has been in business for 150 years.”⁶⁵

LOCAL DEMOCRACY SUFFERS

Fourth President and constitutional framer James Madison said, “a circulation of newspapers through the entire body of the people... is favorable to liberty.”⁶⁶ The people of Youngstown seem to know that intuitively, and the data shows Madison was on to something. Several academic studies show local news coverage is tied to voter participation, and political engagement levels. When local news outlets like daily newspapers close, community members have few places to turn for regional news coverage. This can have devastating effects. Declining local political news coverage reduces citizen knowledge and participation, according to a 2018 study in the *Journal of Politics*.⁶⁷ Authors found that between 2010 and 2014, in most congressional districts where news coverage declined, people were less likely to remember the party affiliation of candidates for Congress, and less likely to express intent to vote. A 2015 study of midterm election voting rates found that less local political coverage was linked to lower voter turnout. The findings indicated “the deleterious consequences of a decline in local coverage are widespread, not restricted to the least attentive citizens.”⁶⁸

These studies raise concerns for democracy in the Mahoning Valley. While Mahoning County’s voting rates were higher than average in the 2016 presidential election, turnout drops dramatically in midterms.⁶⁹ In 2018 only 50.9% of eligible voters voted in Mahoning County, compared to 53.4% nationally.⁷⁰ The closure of the Youngstown Vindicator could further lower voter turnout in Mahoning County. It’s a phenomenon that has taken its toll on other communities covered by a now-shuttered Ohio paper. After the Cincinnati Post stopped publishing, voter turnout in the Kentucky suburbs covered by the paper dropped. In 2007, a study found that even the presence of the bigger Cincinnati Enquirer didn’t mitigate the

⁶⁵ Quotes from a July 2, 2019 community meeting attended by Zach Schiller.

⁶⁶ Nichols, John, and Robert W. McChesney. “How to Save Journalism.” *The Nation*, January 7, 2010. <http://bit.ly/2Y0sTxY>.

⁶⁷ Hayes, Danny and Jennifer L. Lawless. *The Journal of Politics* 80, no. 1. October 2017. <http://dx.doi.org/10.1086/694105>.

⁶⁸ Hayes, Danny and Jennifer L. Lawless, “As Local News Goes, So Goes Citizen Engagement: Media, Knowledge, and Participation in US House Elections,” *The Journal of Politics* 77, no. 2. April 2015: 447-462. <https://doi.org/10.1086/679749>.

⁶⁹ United States Census Bureau Voting and Registration Data for the election of November 2018, and November 2016.

<http://bit.ly/2LGsiQh>. See also: United States Census Bureau Citizen Voting Age Population - CVAP from the 2010-2014 American Community Survey 5 year Estimates. <http://bit.ly/2QijlhZ>.

⁷⁰ Ibid.

effect on the community. Three years after the Post closed, fewer came out to vote in local elections and incumbents were more likely to win reelection.⁷¹

LOCAL GOVERNMENTS LOSE A WATCHDOG

A 2018 study published in the *Journal of Financial Economics* shows that local newspapers also play an important role in monitoring local governments. Local governments frequently use bonds to borrow money to finance public works projects such as schools, hospitals and roadways, and to balance their budgets in the short-term. Youngstown officials, despite balancing the city's budget for the past several years, are increasingly concerned with looming financial troubles.⁷² When newspapers shut down and are no longer keeping watch over the local government, municipal borrowing costs increase, which could be concerning for Youngstown as they try to cut costs and balance debts.⁷³ The study linked closures to detrimental effects on revenue-generating projects in local communities, and more government inefficiencies. The study also suggests that taxes go up and county deficits grow when a newspaper closes its doors.⁷⁴

PUBLIC HEALTH OFFICIALS LOSE AN IMPORTANT RESOURCE

Local newspapers are also critical for identifying public health trends, detecting outbreaks of disease, and forecasting their trajectories. HealthMap, a disease detection project run by researchers at Boston Children's Hospital, uses nontraditional data sources such as local news reports to track global infectious disease activity. HealthMap's data is used by public health authorities and researchers around the world studying geographic distribution of diseases, like Zika, and the effects of climate change on disease patterns. Local news sources are the primary source of data collection, and serve as the "bedrock of internet surveillance" according to John Brownstein, co-founder of HealthMap and chief innovation officer at Boston Children's Hospital. For example, local reporting helped bring the H1N1 influenza pandemic of 2009 to global attention. Without crucial reporting through local newspapers it is harder to follow and assess disease outbreaks, which can damage public health. This vital disease surveillance depends on local journalism, according to Maia Majumder, research fellow at HealthMap.⁷⁵

COMMUNITIES OF COLOR LOSE A LIFELINE

The negative effects of local newspaper closures on political participation, municipal financing, and public health do not affect all communities equally. Black and Latino communities are more likely to rely on local news sources than white communities are,

⁷¹ Sam Schulhofer-Wohl and Miguel Garrido, "Do Newspapers Matter? Short-run and Long-run Evidence from the Closure of The Cincinnati Post." NBER Working Paper No. 14817 March 2009, Revised April 2011.

⁷² Youngstown Vindicator. "Y'town's financial picture improving, but still bleak." June 2019: <http://bit.ly/2Gadzoj>. See also: Youngstown Vindicator. "Youngstown government facing major fiscal challenges in 2019." Dec. 2018: <http://bit.ly/32QbRpU>.

⁷³ Gao, Pengjie, Chang Lee and Dermot Murphy. "Financing Dies in Darkness? The Impact of Newspaper Closures on Public Finance." October 18, 2018. *Journal of Financial Economics*. Forthcoming. Available at <https://ssrn.com/abstract=3175555>.

⁷⁴ Gao, Lee and Murphy. (2018).

⁷⁵ Branswell, Helen. "As Towns Lose Their Newspapers, Disease Detectives Are Left to Fly Blind." STAT. March 21, 2018. <http://bit.ly/2YQorrg>.

according to the Pew Research Center. Communities of color are also more likely to report that local news topics such as crime, changing prices, and job listings are important for their daily lives. When local newspapers close, these communities have limited access to information they use and value as an integral part of their lives.⁷⁶

Even though their arrival is often welcome in a community that just lost a newspaper, digital news outlets do not fill this void. Digital news projects are mostly located in affluent areas; 90% are clustered around metro-areas and their suburbs, which leaves out low-income, rural communities. Many low-income people and families of color do not have internet access in their homes. In Flint, Michigan, for example, more than 40% of residents live in poverty, and more than 40% of households don't have an internet subscription. A digital news start-up in Flint, trying to serve as a platform for the community's water crisis, has run into difficulties engaging the community because of these barriers to internet access.⁷⁷

Conclusion & recommendations

Various news organizations from within and outside the Mahoning Valley have stepped forward to expand or create additional news options since the announcement of the Vindicator closing. The Warren Tribune Chronicle will start publishing a Mahoning County edition, and the Youngstown Business Journal announced it would add reporters, editors and graphic artists to expand its coverage.⁷⁸ Local TV stations have been increasing staff. ProPublica, the nonprofit investigative newsroom, will add a position in its local network for a news organization in Youngstown to cover accountability issues for a year.⁷⁹ And the Compass Experiment, a partnership of the McClatchy newspaper chain and Google to explore sustainable business models for local news, said it would launch the first of three digital-only local news operations in Youngstown.⁸⁰ Compass is hiring an editor, a reporter, a content manager and a local business executive to staff the operation.⁸¹ While these welcome initiatives will fill part of the void left by the death of the Vindicator, they do not provide full replacement or an answer to the larger collapse of newspaper journalism in Ohio.

STATE POLICIES

With so much at stake for Ohio's communities, the newspaper crisis is one that demands a response. The state of Ohio already supports journalism in the state. For decades, the state budget has included funds to support the Statehouse News Bureau, which covers news in the

⁷⁶ Pew Research Center. March 2019. "For Local News, Americans Embrace Digital but Still Want Strong Community Connection."

⁷⁷ Abernathy, P. (2018).

⁷⁸ "Tribune Chronicle to expand Mahoning County coverage," Warren Tribune Chronicle, July 16, 2019, at <http://bit.ly/2Yhp2wH>, and "Publishing Co. Lands Major Capital Infusion," Youngstown Business Journal, July 16, 2019, at <http://bit.ly/2LJcv39>.

⁷⁹ "ProPublica is expanding its local reporting network to Youngstown, Ohio," ProPublica, July 8, 2019, at <http://bit.ly/2ZaOmra>.

⁸⁰ PR Newswire, "McClatchy to Launch Digital News Outlet to Serve Youngstown, Ohio," July 18, 2019, at <https://prn.to/2Zcbllg>.

⁸¹ Mandy Jenkins, "The Compass Experiment is on its way to Youngstown," July 18, 2019, at <http://bit.ly/2Os2KsB>. A central editor and business operations manager will also work remotely to support the three local news operations.

state capital.⁸² Its staff is well known to listeners of the state's 15 public radio stations and viewers of the weekly TV show, "The State of Ohio." The bureau has been receiving almost \$315,000 a year in general revenue dollars from the state, and the General Assembly just approved increasing that to \$355,000 in 2020 and 2021.⁸³ In addition, public TV and radio broadcasters have been receiving more than \$3.5 million a year in state subsidies for operating costs and production of instructional programming for schools.⁸⁴ This funding is channeled through the Broadcast Educational Media Commission (BEMC), an agency created under state law "to advance education and accelerate the learning of the citizens of this state through public educational broadcasting services."⁸⁵ With its overall state funding of \$9.3 million a year, BEMC broadcasts activities of state government, manages the K-12 and public broadcasting networks and is the primary support agency for statewide video conferencing services for K-12 schools, state agencies and institutions of higher education. Its origins date to the formation of the Ohio Educational Television Network Commission in 1961.

Boost support for public broadcasting in Ohio: The General Assembly should build on this longstanding practice and boost support for public broadcasting in Youngstown. Stations in other areas of the state that have seen traditional media disappear could also apply for funds, which, like the existing funds, could be administered through the BEMC. An appropriation of \$5 million a year would at least provide for continued reporting on public events and concerns, whether through a web site or over the radio, which would be accessible to those without easy internet access. As the Statehouse News Bureau has shown, state-supported journalism can operate free of political influence.

Create a state-funded body to support journalism: In addition, the legislature should consider broader measures to innovate in news coverage. New Jersey approved a Civic Information Consortium, a nonprofit designed to strengthen local journalism in the state.⁸⁶ Applicants for funding will need to collaborate with one of the five participating higher education institutions and at least one other partner, such as a community organization, a media outlet or a technology outfit. Projects could include everything from improving access to government information to teaching students about journalism and media production to developing innovations that would help media outlets gain sustaining revenue. The legislature approved the consortium last year, but it only won its first funding of up to \$2 million recently amidst budget battles in the state.⁸⁷ The consortium was initiated by the advocacy group Free Press.⁸⁸

Legislators in Massachusetts, meanwhile, introduced legislation to create a 17-member commission to examine communities underserved by local journalism and "all aspects of local

⁸² See About the Statehouse News Bureau at <https://www.stateneews.org/about>.

⁸³ Ohio Legislative Service Commission, Catalog of Budget Line Items, 2018 Edition, at <http://bit.ly/311Pnkh> and Legislative Budget Office of the LSC, Appropriation Spreadsheet, House Bill 166—133rd General Assembly, Main Operating Budget Bill, FY2020-FY2021. As reported by Conference Committee, July 16, 2019, p. 8, at <http://bit.ly/2LEUJhV>.

⁸⁴ Vitale, Alexandra, Redbook, LBO Analysis of Executive Budget Proposal, Broadcast Educational Media Commission, April 2019, p. 5, at <http://bit.ly/2LFKtWw>.

⁸⁵ See the Broadcast Educational Media Commission website at <https://broadcast.ohio.gov/> and Ohio Revised Code Section 3353 at <http://codes.ohio.gov/orc/3353>.

⁸⁶ Free Press, "Why the Civic Info Bill is Such a Huge Deal," at <http://bit.ly/311BS49>.

⁸⁷ Gabbatt, Adam, "New Jersey Pledges \$5m for local journalism to boost state's 'civic health,'" The Guardian, July 6, 2018, at <http://bit.ly/2Yfsvfm> and Free Press, "Questions Remain as New Jersey Gov. Murphy Approves Funding for Groundbreaking Local-News Initiative," July 9, 2019, at <http://bit.ly/2SCdPFx>.

⁸⁸ See <https://www.freepress.net/>.

journalism.”⁸⁹ These range from the adequacy of press coverage to strategies to improve local news access and “public policy solutions to improve the sustainability of local press business models and private and nonprofit solutions.” As the Vindicator’s closing and the data in this report indicate, Ohio should be moving to develop public policy answers to the media meltdown.

FEDERAL POLICIES

Of course, the issue is a national one that also calls for national solutions. Two bills in Congress are aimed at helping the newspaper industry.⁹⁰

Help traditional media enterprises become nonprofits: One bill introduced last month would allow traditional media enterprises to more easily become nonprofits. That has helped preserve the Philadelphia Inquirer, and is now being attempted by the Salt Lake Tribune.⁹¹ It is worthy of support, assuming there are guardrails to ensure that the priority is public service and investment in news coverage. Another bill, which has been backed by the newspaper industry including the Plain Dealer and the Akron Beacon Journal, would temporarily waive anti-trust laws to allow such companies to collude and negotiate better deals with Facebook and Google, the behemoths of digital advertising.⁹² But that’s a risky bet that could reward big publishers like GateHouse without addressing the underlying issue: the need for thriving, independent newsgathering irrespective of the whims of advertisers and the structure of the media industry.

The founders of our democracy realized early on that the press needed support. That’s why the Post Office Act of 1792 offered postal subsidies for magazines and newspapers. But we spend a pittance compared to other developed countries supporting public media. To cite just one example, most of the British Broadcasting Corp.’s budget comes from a license fee charged to all British households and others using equipment to receive or record live TV broadcasts.

Tax Facebook and Google: U.S. practice needs to change. One way to do so, argue Timothy Karr and Craig Aaron of Free Press, is a tax on the multi-billion-dollar online platforms that dominate today’s advertising.⁹³ That could generate \$2 billion a year, which could fund a Public Interest Media Endowment to “support production and distribution of content by diverse speakers.” Similarly, Victor Pickard of the Annenberg School of Communications at the University of Pennsylvania has put forward a tax on Google and Facebook’s earnings for a journalism trust fund which could seed an endowment for independent journalism.⁹⁴ Ironically, Ohio has provided tax breaks worth tens of millions of dollars to these companies in the form

⁸⁹ 191st General Court of the Commonwealth of Massachusetts, Bill H. 181, An Act Establishing a Commission to Study Journalism in Underserved Communities, at <https://malegislature.gov/Bills/191/H181>.

⁹⁰ McCormick, Andrew, “Two new bills in Congress propose a helping hand for a hurting industry.” Columbia Journalism Review. June 13, 2019, at <http://bit.ly/2JSV6Dk>.

⁹¹ Semerad, Tony, “Salt Lake Tribune seeks to become a nonprofit ‘community asset,’ a first for a legacy newspaper,” Salt Lake Tribune, May 9, 2019, at <https://www.sltrib.com/news/2019/05/08/salt-lake-tribune-seeks/>.

⁹² The Plain Dealer, “Pass Journalism Competition and Preservation Act: editorial,” Oct. 26, 2018, at <http://bit.ly/2K8E0FO> and Beacon Journal/Ohio.com editorial board, “Facebook, Google and Youngstown,” July 9, 2019, at <http://bit.ly/2SBQvbe>.

⁹³ Karr, Timothy and Craig Aaron. “Beyond Fixing Facebook.” Free Press. Feb. 25, 2019, at <https://bit.ly/2K4t722>.

⁹⁴ Pickard, Victor. “Break Facebook’s Power and Renew Journalism.” The Nation. Apr. 18, 2018, <https://bit.ly/2EZwpPT>.

of sales-tax exemptions for new data centers, though they employ relatively few workers.⁹⁵ New subsidies like these should not be provided.

OTHER PROPOSALS

In some cities and states around the country, nonprofit online journalism ventures have managed to carve a niche providing local news and investigative efforts, based on memberships, foundation grants, and sometimes rich benefactors. Eye on Ohio has attempted that here.⁹⁶ While nonprofit digital journalism won't be a full solution to the newspapers' decline, it should be included among the alternatives.

Various other proposals also would provide government support to remedy the failure of market forces to provide robust local journalism.⁹⁷ Journalism is a public good that the private market, as it is now, is not sufficiently supporting. Coverage of local city councils and school boards may rarely attract enough clicks to be commercially attractive, yet it is crucial to a functioning democracy. We need to seriously consider these more far-reaching solutions, while taking steps in Ohio now to fill the gap in Youngstown.

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⁹⁵ Patton, Wendy and Zach Schiller. "Tax Breaks to Tighten, Trim or Trash." Policy Matters Ohio. March 27, 2019, p. 2, at <http://bit.ly/2M9XYND>.

⁹⁶ See <https://eyeonohio.com/>.

⁹⁷ USC Annenberg Center on Communication, Leadership and Policy. "Public Policy and Funding the News." <https://bit.ly/30WRVQx>.