

# **Journalism and Commercial Success: Expanding the Business Case for Quality News and Information**

**A Report of the Sixth Annual Aspen Institute  
Conference on Journalism and Society**

Neil Shister



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THE ASPEN INSTITUTE

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# Executive Summary

Is great journalism compatible with great business in the context of the current media marketplace?

Twenty-four leading media executives and journalists pondered this complicated question during a day and a half of conversation at the sixth annual Aspen Institute Conference on Journalism and Society, convened by the Aspen Institute Communications and Society Program from June 13-15, 2002 at the Aspen Wye River Conference Center in Queenstown, Maryland. The John S. and James L. Knight Foundation funded the conference, with additional funding provided by the Ford Foundation.

The proposition that great journalism and great business can coexist was understood not as a conclusion. Rather, participants seemed to agree that this proposition forms a starting point in the search for understanding how to realize the twin goals in the face of market trends and pressures that have roiled the journalism profession in recent years. The challenge is how media companies intermediate among all the stakeholders with an interest in the organization—those whose primary concern is the financial performance of the organization (top management, owners, investors, market analysts) as well as those with an overriding interest in the quality of the news and information that it produces (journalists and the public).

The Conference included the participation of top-level executives from Advance Publications, AOL Time Warner, The Associated Press, Belo Corp., Community Newspaper Holdings, The Hearst Corporation, MediaNews Group, *The Miami Herald*, The New York Times Company, Public Broadcasting Service, The E.W. Scripps Company, Tribune Company, The Walt Disney Company, and *The Washington Post*. Distinguished journalists from the Joan Shorenstein Center on the Press, Politics and Public Policy at Harvard University, The Committee of Concerned Journalists, The University of Missouri School of Journalism and Maynard Partners were also in attendance. The conference was moderated by Jeff Greenfield of CNN.

The intent of the proceedings was not necessarily to reach a formal conclusion but the sentiments of the group reflect a widely shared consensus that journalistic excellence continues to figure prominently in the

commercial success of communication companies. Journalism based on trust, accuracy, and public service constitutes a distinctive asset that contributes to a company's brand equity and future growth; failure to maintain adequate investment in a news operation or subjecting it to restrictive policies serve to undermine the value of the asset and are not in the best interests of the company.

That having been said, however, participants voiced serious concerns about several underlying trends:

- *The definition of "journalism" is changing.* The public now has access to vast amounts of information from multiple media. It no longer looks exclusively to professional journalists as the preeminent source of news. Correspondingly, younger people are less likely to read newspapers or watch network news shows (to them *The Oprah Winfrey Show* is news, talk radio is news, the cable crawl is news). Faced with the need to engage this emerging audience, media managers are introducing innovative cable channels, niche publications, and infotainment. While executives applaud these developments as creative business practices, journalists worry that the credibility and significance of their craft risks being compromised.
- *The traditional financial foundations that have sustained journalism are becoming more tenuous.* Some advertisers have grown wary of traditional media as audiences fragment and new technologies such as TIVO enable viewers to bypass commercials. With notable exceptions, circulation of metropolitan newspapers steadily declines. The new media, with few exceptions, have proven unable to attract paid subscriptions or consequential advertising. If the economic engine that drives journalism erodes, a new source of revenue will have to be found to maintain current levels of quality.
- *News operations are becoming proportionately smaller components in bigger communication companies.* Decisions that would be "no brainers" in a dedicated news organization become much more problematic in a complex multimedia company. The recent situation at ABC where the network proposed replacing *Nightline* with David Letterman (which would have generated additional revenue for the network) illustrates the jeopardy even highly

respected journalistic entities find themselves in when they must compete internally against more lucrative enterprises. Leaders in these companies, likely to be drawn from entertainment or advertising backgrounds, may unwittingly be insensitive to the consequences their choices have on journalistic quality.

- *The culture of news organizations tends to be defensive and change-averse.* Relative to other industries, journalism is slow to implement internal reform in its own processes or respond to changes in consumer taste. Recent research by Northwestern University's Media Management Center, for example, has found not that the public is uninterested in news but rather it is dissatisfied with many of the staples that editors typically provide (e.g., #1 on the audience preference list was stories about ordinary people, #2 was "how I fit into my community;" # 3 was national and international news; crime ranked #8 and sports #9, strongly suggesting that interest doesn't justify the amount of coverage).

## **Recommendations for Action**

Conferees agree that it is important to consolidate support for journalism values within communication companies, particularly as a new generation of executives takes over whose careers are less likely to have been associated with news than their predecessors. The thrust of this initiative needs to underscore the business argument for journalistic quality, demonstrating how it strengthens and expands audience relationships. There is also a need to inculcate throughout the organization, from the members of the board to the rank-and-file, heightened commitment to the notion that the profession serves as a steward of public trust as well as a source of financial profit.

By the conclusion of the proceedings, conferees strongly supported moving forward with an action program. (It should be noted, however, that not all participants agreed on the desirability or feasibility of each specific recommendation. The goal of the conference was not consensus, but the generation of ideas to act upon.) Specifically noted is a need to "lace people together" from both corporate and journalism sides to address issues collectively and build mutual trust. Many of the conferees feel that to continue merely discussing these issues without organizing to propose proactive responses would only build frustration. Several possible courses of future action discussed include:



- *Establishment of a “journalistic values” committee on the board of directors of communication companies charged with overseeing the company’s journalistic standards.* It is the rare communication company that specifically regards journalistic excellence as an oversight responsibility of its board. Few feel obliged to name experienced journalists as directors or establish “journalistic standards” committees comparable to finance, audit, and compensation committees. While there are certain reservations to this approach, formally fusing “journalistic DNA” into the corporate governance fabric is a high-impact initiative worthy of serious exploration.
- *Creation of a process or organization designed to facilitate improved communication between the editorial and business sides of the profession so that each better understands the concerns of the other and can mutually address industry issues.* Some observers sympathetic to the industry regard news organizations as unusually averse to change. This resistance to innovation is found in both the boardroom and the newsroom. Intransigence manifests itself in such ways as imposing standardized, one-size-fits-all formats on very different communities, adhering to traditional approaches to format and content even when they no longer engage audiences, creating incentives for senior editors by using compensation bonuses based on commercial considerations, and organizing companies along a church/state divide so strict that little mutual understanding flows between the business and journalistic sides. Reappraising the fundamental tenets of journalism is vitally important lest the profession continue to rely on conventional practices that may be contributing to current problems. A notable suggestion on how to begin this reappraisal is to organize ongoing conferences bringing together leaders from the business and editorial sides at the chief executive/senior editor level (such cross-functional industry forums do not currently exist within the journalism profession, professional organizations being limited on one hand to management and on the other to journalists).
- *An industry-wide campaign to educate the public about the importance of journalism in civic life and to raise its level of journalistic and civic literacy.* The surest way to finance quality journalism is

to have the market demand it. Investments in raising the level of public citizenship are, by implication, investments in increasing the public's demand for high quality news. Cynics are quick to dismiss this notion by saying the mass audience has lost the ability to distinguish between superior and inferior journalism. Participants, however, suggest that programs could be developed to encourage civic literacy. Acknowledging that this is a novel approach, they are quick to point out that such audience development efforts not only sustain the democratic ideal of an informed citizenry but also serve the self-interest of media companies themselves. Journalists have a common interest in a more knowledgeable society with a heightened appetite for information.

*A complete summary of the sixth annual Aspen Institute Conference on Journalism and Society follows this Executive Summary. The Report and supplementary materials are also available on the World Wide Web at [www.aspeninstitute.org/c&s](http://www.aspeninstitute.org/c&s).*



# Acknowledgments

The sixth annual Aspen Institute Conference on Journalism and Society was made possible by the generous support of the John S. and James L. Knight Foundation. The Knight Foundation has been an esteemed partner of the Aspen Institute Communications and Society Program in convening the Conference on Journalism and Society for the past four years. We are grateful to the Ford Foundation for providing additional support to the 2002 Conference on Journalism and Society.

In particular, we acknowledge Knight Foundation President Hodding Carter for his continuing commitment, vision, and counsel on matters related to the conference and the future of quality independent journalism. We also wish to thank Penelope McPhee, vice president and chief program officer, Eric Newton, director of journalism initiatives, and their colleagues at the Knight Foundation who have contributed their insights and guidance to the conference this year. Jon Funabiki, deputy director of the Media, Arts and Culture division at the Ford Foundation and our partner in other projects, brought his intellect, energy, and enthusiasm to the Aspen Institute Conference on Journalism and Society for the first time this year and is greatly appreciated for his support.

We also gratefully acknowledge the contributions of Convening Committee members Frank Bennack, Jr. of The Hearst Corporation, Robert Dechard of Belo Corp., Robert Iger of The Walt Disney Company and Gerald Levin of AOL Time Warner for their willingness to sign on to the activity and encourage others to participate. We would also like to thank conference moderator Jeff Greenfield of CNN who did a masterful job managing a table loaded with high-powered, independent, and assertive thinkers and kept the lively discussions on track. In addition, we express our sincere gratitude to the conference participants for taking time out of very busy schedules to reflect on their work and the state of their profession.

Finally, we thank our conference rapporteur, Neil Shister, for his deft job at weaving a broad-range and sometimes diffuse discussion into a cohesive report. We also want to acknowledge the excellent work of the Communications and Society Program's Lisa Dauernheim, senior program coordinator, on coordinating the conference; Patricia Kelly,

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COMMERCIAL SUCCESS:  
EXPANDING THE  
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# **Journalism and Commercial Success: Expanding the Business Case for Quality News and Information**

*Neil Shister*

## **Introduction: Can Great Journalism Make for Great Business?**

The role journalism plays in democratic society is a long-standing debate that dates in America from 1735, when printer John Peter Zenger was accused (and subsequently acquitted) of libeling in his *Weekly Journal* the Royal Governor of New York. Zenger's eloquence in his defense notwithstanding, the subject continues to perplex public philosophers to this day.<sup>1</sup> Even as a proposition posed in the abstract—What ideal role *should* journalism play?—the question begs simple answers.

The reasons for confusion are understandable. Positions are passionate, whether akin to Zenger's or those of more conservative contemporary critics such as The Media Research Center, which contends, "everyday pack journalism often creates an unconscious 'groupthink' mentality that taints news coverage and allows only one side of a debate to receive a fair hearing." The debate raises a host of issues: What do we mean when we say "journalism"? How is news to be gathered? How is it to be financed and disseminated? Different generations evolve different sets of responses. Courts revise doctrines of protection and responsibility. Politics intervenes. Changes in technology unsettle established relationships. Audience tastes ebb and flow. New owners impose new commercial agendas. In short, although most Americans likely agree with the general proposition that journalism performs an invaluable service in sustaining the health of the republic, when the discussion turns to details about how that mission should be executed in the real world consensus becomes considerably more problematic.

Ambiguous notions about the character of journalism are particularly unsettling as we find ourselves in the midst of one of those watershed historic moments when society's tectonic plates shift. The props



that sustained the highest standards and best practices of journalism during the later half of the 20th century are wobbling, props that can be lumped together in a category that for analytic purposes might be called “the culture of public duty.” The essence of this culture was a shared trust on the parts of both the public and the profession that journalism exercised a responsibility to inform and educate and occasionally even bear witness about things that mattered. Communication executives were expected to sustain their organizations’ ability to discharge these functions at high levels of operational effectiveness or be apologetic when they didn’t. The public, in return, educated and accustomed to expect such content, provided a receptive audience and was generally willing to excuse excess committed in its pursuit. This journalistic culture of public duty required both sides of the equation to function: producers had to be willing and able to supply responsible content, consumers to demand it.

As is increasingly apparent to observers of the media, the vitality in this dynamic is wearing thin. Casting blame is a chicken-and-egg proposition but it is clear that producers are steadily lowering the bar on what was considered to be acceptable journalistic standards in the culture of public duty and that the citizenry is providing an ever-shrinking audience for the kinds of content once considered journalistic staples. The challenges are coming from several sources that, as they converge, prompt some observers to fear that a perfect storm is gathering that threatens to wash away the bedrock upon which the principles of journalism have been built. Few suggest that media itself is going to disappear but traditions of journalistic excellence embedded in those media appear decidedly at risk.

The viability of independent journalism has usually been threatened by ideological factors. Moments of crisis, for example, elicit calls to curtail freedom of information for the sake of security (beginning with the *Alien and Sedition Acts* and extending through today to *The Homeland Security Act*). News embargoes are put in place to conceal state actions deemed top secret, while disinformation is circulated as being credible by sources who know it is not. Even in more ordinary times, events are often stage-managed charades mounted by political image-makers to limit content and to insure spin. What is different about the current situation, however, is that the challenge to journalism is preeminently commercial rather than ideological and is coming not from the usual antagonists of the press, but rather from media owners and managers purporting to be friends.

For the sake of objectivity—and lest current messengers of concern be dismissed as alarmist—it is important to note that this anxiety over the future of enlightened journalism has been voiced in the past. The classic “canary in the mineshaft” case could well be an incident involving Edward R. Murrow some 50 years ago. As the tale is told in a *Columbia Journalism Review* article by Lawrence Grossman, the networks discovered with the explosive popularity of quiz shows in the mid-1950s that their air time was considerably more valuable than previously reckoned.<sup>2</sup> CBS’ *The \$64,000 Challenge*, a cash cow of first rank, was moved into the Tuesday night 10 o’clock slot reserved the previous seven years for Murrow’s *See It Now*, which to this day remains the most honored news show in television history. Murrow’s show ran for several more years as an occasional special at unpredictable times, inspiring CBS insiders cynically to rename the program *See It Now and Then*.

In the summer of 1958, unexpectedly, the network announced it would kill the program entirely. Stunned, Murrow and producer Fred Friendly appealed to CBS Chairman William Paley. “Bill,” Friendly reports in his memoir *Due to Circumstances Beyond Our Control*, “are you going to destroy all this?” Yes, he was. Why? Paley’s response: “I don’t want this constant stomach ache every time you do a controversial subject.” Three months later, in a landmark speech to the Radio and Television News Directors’ Association, Murrow would deliver a searing indictment of what he called the clash between the medium’s corporate interest and journalistic responsibility. “There is no suggestion here that networks or individual stations should operate as philanthropies,” he conceded to his audience, “but I can find nothing in the Bill of Rights or the *Communications Act* that says that they must increase their net profits each year, lest the Republic collapse.”<sup>3</sup>

Television journalism survived. Indeed, a few years later the nightly news would be expanded from fifteen minutes to thirty and CBS itself brought forth a new show called *60 Minutes*. A 24-hour news service would be launched in the 1980s. Public service remained a requirement the Federal Communications Commission expected from its licensees. Life went on.

The current situation, however, poses more exacerbated threats to journalism than was the case in Murrow’s era. An ensuing half-century has wholly transformed the media business in a way that some journalists fear may bode ill for journalism. The recent near-demise of *Nightline* on ABC to make room for David Letterman—a change that

would have generated considerable additional revenue according to network projections—harkens back to *See It Now* as this era’s “canary in the mineshaft” but with a sobering caveat. Ultimate decisions in the *Nightline* situation were not made largely by one man (Paley) in behalf of one company (CBS) playing in one industry (broadcasting) where news constituted a vital part of its identity; rather, they were made opaquely within the vast Walt Disney Company, a \$25 billion enterprise (in fiscal 2001) self-described as “a diversified worldwide entertainment company with operations in four business segments: media networks, parks and resorts, studio entertainment, and consumer products” where network news marginally contributes to revenue and reputation.

What is true of broadcasting is also true of print. Companies once primarily involved in newspaper or magazine publishing have expanded into multi-division conglomerates often dominated by their non-journalistic components.

The systemic trends negatively impacting the future of journalism in America in the first years of the 21st century can be briefly summarized:

- *The definition of journalism is changing.* The public now has access to vast amounts of information from multiple media. It no longer looks exclusively to professional journalists as the pre-eminent source of news. Correspondingly, younger people are less likely to read newspapers or watch network news shows (to them *Oprah* is news, talk radio is news, the cable crawl is news). Faced with the need to engage this emerging audience, media managers are introducing innovative cable channels, niche publications and infotainment. While executives applaud these developments as creative business practices, journalists worry that the credibility and significance of their craft risks being compromised by unprofessional standards in these new media.
- *The traditional financial foundations that have sustained journalism are becoming more tenuous.* Some advertisers have grown wary of traditional media as audiences fragment and new technologies such as TIVO enable viewers to bypass commercials. With notable exceptions, circulation of metropolitan newspapers steadily declines. Department store display advertising, once among the chief sources of newspaper advertising revenues, significantly shrinks as the retail sector transitions into new models. Classified ads, another source of great revenue, are increasingly

migrating from newspapers to the Internet. Meanwhile the new media, with few exceptions, have proven unable to attract paid subscriptions or consequential advertising. As the economic engines that drive journalism erode, new sources of revenue will have to be found to maintain current levels of financial support.

- *News operations are becoming proportionately smaller components in bigger communication companies.* Journalistic divisions find themselves forced to compete internally on unfavorable terms against more lucrative enterprises within the organization. ABC News, for example, according to a study published in *Nieman Reports*, represents less than two percent of the profits of its parent, The Walt Disney Company (\$55 million out of a total pre-tax profit in 1998 of \$4 billion); the same was true for NBC News and its parent, General Electric (\$200 million out of \$13.5 billion).<sup>4</sup>

The sixth annual Aspen Institute Conference on Journalism and Society was convened at the Aspen Wye River Conference Center in Queenstown, Maryland from June 13-15, 2002 to address the impact of these trends. The proceedings were grouped under the topic "Changes in the Media Marketplace and their Impact on Journalism." Of particular concern was assessing the implications these changes are having on the capacity of journalism to continue to perform the roles that it has historically played in democracy. The John S. and James L. Knight Foundation funded the conference, with additional funding provided by The Ford Foundation.

The Conference included the participation of top-level executives from Advance Publications, AOL Time Warner, The Associated Press, Belo Corp., Community Newspaper Holdings, The Hearst Corporation, MediaNews Group, *The Miami Herald*, The New York Times Company, Public Broadcasting Service, The E.W. Scripps Company, Tribune Company, The Walt Disney Company and *The Washington Post*. Esteemed journalists from The Joan Shorenstein Center on the Press, Politics and Public Policy at Harvard University, The Committee of Concerned Journalists, The University of Missouri School of Journalism and Maynard Partners were also in attendance. The conference was moderated by Jeff Greenfield of CNN. (A complete list of participants appears in the Appendix.)

The reader should note that this report is written from the perspective of an informed observer at the conference. Unless cited to a particular person, none of the comments or ideas contained in this report should be taken as embodying the views or carrying the endorsement of any specific participant at the conference.

The conference agenda acknowledged that the dye has largely been cast in terms of the corporate forms within which journalistic organizations will exist—as subsidiary divisions within larger organizations expected to contribute rates of return acceptable to the parent. The question before this group was whether there are criteria that can be applied to journalistic entities that expand the definition of business success beyond its conventional usage to make the expense of journalism more palatable to the parent corporation. Are there metrics of performance able to measure the contribution a news division makes to corporate value—not only in annual profits but in long-term equity—by performing its journalistic roles at the highest levels of excellence?

To reiterate the fundamental question that informed conversation throughout the conference: Is great journalism compatible with great business in the context of the current media marketplace? Or, as some fear, is the new generation of multi-media communication companies considerably more responsive to Wall Street mandated earnings multiples than the public's right to know?

## **Journalism and the Democratic Imperative**

Were journalism a more ordinary kind of undertaking, were it simply another commodity subject to the dictates of the marketplace, nobody would argue that it deserved special legal status with Constitutional protections. It is not regarded as such, however, and is correspondingly accorded special status. The reasons for this are interwoven deeply within the American fabric. Indeed, the first topic addressed when the Constitution was amended with a Bill of Rights was affirmation that Congress "...shall make no law abridging the freedom of speech, or of the press." As Bill Kovach and Tom Rosenstiel rightly conclude in their book *The Elements of Journalism*, "over the next two hundred years the notion of the press as a bulwark of liberty became embedded in American legal doctrine."<sup>5</sup>

The "democratic proposition" rests on faith that an informed electorate will govern in its own best interests and that journalism plays a

big part in providing the requisite information. That is not to say that the media can do it alone. Walter Lippmann in his classic book *Public Opinion* presents a probing disquisition on the limitations of the press in this respect. He draws a distinction between the functions of news (“to signalize an event”) and truth (“to bring to light the hidden facts, to set them into relation with each other, and make a picture of reality on which men can act”). Within this framework he regards news, the stuff of journalism, as an imperfect rendering of reality and at best a limited guide to governance. “The press is much more frail than the democratic theory has as yet admitted, too frail to carry the whole burden of popular sovereignty,” he concludes. “If the newspapers are to be charged with the duty of translating the whole public life of mankind, so that every adult can arrive at an opinion on every moot topic, they fail, they are bound to fail, in any future one can conceive they will continue to fail.”<sup>6</sup>

Lippmann’s rebuke was considerably more stark than that of the Aspen Institute’s conferees. The consensus at the conference was that without strong media, democracy is imperiled. An observation made by Louis Boccardi, president and chief executive officer of The Associated Press, encapsulated the sentiment of the gathering: “Where freedom is suppressed,” he noted, “the first thing that happens after despots take over is they take over the communications.”

Conversations about the state of journalism in the United States share this starting point. Whether an example of American exceptionalism or the product of more ordinary historical forces, the press in this country is treated as a primary protector of freedom. As such it possesses special rights. The essential wager justifying the guarantee of those rights is that popular sovereignty will be best served by exposure to multiple, varied points-of-view. In return for liberating public discourse from undue restrictions, the unstated *quid pro quo* is that the media will indeed make accessible to its audience a rich diversity of opinion and fact. Implicit in this bargain is the expectation that a considerable amount of content will address substantive social issues, that it will be of sufficient caliber to provide the people with much of what they need to know to fulfill their charge as informed citizens, *that it will be of serious journalistic intent*.

The question haunting participants at the Aspen Institute conference was whether the media as currently constructed are capable anymore of consistently delivering such content.

Conference participants shared a broad consensus that there are various new forces at play today challenging traditional journalism. "We're at a moment of historical inflection," observed Gerald Levin, retired chief executive officer of AOL Time Warner. These converging factors include the changing character of the audience, a plethora of new media and technologies for disseminating information, the growth of communication companies into ever-expanding multi-unit entities reliant on public financial markets, and the projection that traditional advertising will become an increasingly problematic source of revenue for conventional media. Within this changing context, city rooms and newsrooms risk being marginalized as journalism plays lesser roles in communication companies. While this structural danger was less apparent during the boom of the 1990s, the economic downturn of the past few years has prompted budget cuts and staff reductions that underscore the looming threat.

None of the conferees suggested there is a conspiracy against journalism in America but many, especially those drawn from the working press (in contrast to those representing senior corporate management) cite mounting impediments to its practice. Particularly ominous, in the context of multi-media giants, is what they see to be the steady dilution of news standards. While this is a recurring lament, as the *See It Now* incident illustrates, it is compounded by an urgent sense of alarm triggered by the emergence of Internet and cable TV-driven "new media" and the eagerness of communication companies to support them at the expense of "old media."

Because of the relative ease with which they can enter the news market and the ubiquity of their access to audience, the ability of these new media to influence the news agenda is disproportionately great relative to the resources they expend. (Cable is the top source of news for some 53 percent of Americans according to the Pew Research Center for People and the Press. "The public has come to believe that if you want national news you go to cable," says Center director Andrew Kohut. Among people under age 30, the Internet is as large as any other source of information). At the same time, the new media largely exist outside established conventions of professionalism. The judgment exercised in the new media about an event's significance, the standards required for sourcing, the commitment to responsible objectivity tend to be lax. But those factors seem barely to reduce the new media's impact. Audiences respond to what they disseminate and regard their fare of celebrity,



scandal and opinion rightly or wrongly as journalism. If not yet forced to compete on their terms, the established media must increasingly take their influence seriously.

Is something irreplaceable to democracy being lost in this emerging news ecology? Leonard Downie, Jr. and Robert Kaiser, longtime *Washington Post* veterans, think so. In their recent book *The News About the News: American Journalism in Peril*, they eloquently state what is at risk:

...Good journalism makes a difference somewhere every day. Communities are improved by aggressive, thorough coverage of important, if everyday, subjects like education, transportation, housing, work and recreation, government services, and public safety. Exposure of incompetence and corruption in government can end the careers of misbehaving public officials. Revelations of unethical business practices can save consumers' money or health. Exploration of the growing reach of computer databases can protect privacy. Disclosure of environmental, health, food and product dangers can save lives. Examination of the ways society cares for the poor, homeless, impassioned, abused, mentally ill, and retarded can give voice to the voiceless. News matters.<sup>7</sup>

It is such optimism in the agencies of social progress and deep-seated faith that their craft plays a central role in the processes that fuel the fire of zealous journalists. And it is the growing awareness that the profession's ability to practice this craft is being systematically undermined that so troubles them. "The world changes with every generation but those of us who spend time monitoring the behavior of something we love," said Bill Kovach, chairman of the Committee of Concerned Journalists, "fear that journalism could disappear into this current mix of communication and the public would never see it go."

### **What September 11th Reveals About the State of Journalism**

The good news about the state of contemporary journalism is that in a moment of crisis it responds superlatively. That was the agreement of the conferees about how the communications media covered the events of September 11, 2001. Companies pulled out the stops to empower their journalism arms to act aggressively. Concerns about cost and budget over-runs were suspended as management at the highest corporate levels authorized extraordinary expenses in pursuit of the story. "We



will spend whatever it takes,” Gerald Levin, then chief executive officer of AOL Time Warner, went on record promising in the immediate aftermath of the attack. “We will support whatever CNN, *Time*, and AOL want to do. Our obligation is not to just inform but to provide insight and understanding about what’s going on that affects everybody’s life around the world today.”

A similar determination existed elsewhere. The response by The Walt Disney Company typified those described by other conferees. “No company was impacted by 9-11 more than Disney,” noted Robert Iger, president and chief operating officer of The Walt Disney Company. “It cost us a lot to cover, tourism dropped off the face of the earth cutting revenue at our parks, and our television advertising revenue came to a standstill as the market was in shambles,” said Iger, “but it never stopped us. We never wavered in terms of covering the story.”

The commitment showed in the weeks following September 11th. The network newscasts returned to what was the same kind of mix prevailing in the Walter Cronkite era: 80 percent of the stories were hard news (not all which were about the war). The network morning shows followed suit: pre-September 11th only seven percent of the time devoted to stories went to traditional hard news, whereas 75 percent was celebrity and lifestyle news; over the next several months the ratio shifted to 60 percent hard news, 24 percent celebrity and lifestyle. In a gathering at the Brookings Institution, Jill Abramson, *The New York Times* Washington bureau chief, noted a general atmospheric shift in news content from opinion to information:

During the blanket Lewinsky coverage, opinion became the coin of the realm. . . . You had the explosion of punditry and this very pointed, very partisan, very bitterly charged nightly debate that really did not usually turn over facts. Now I see a devaluation of opinion, even watching some of the same shows, which interestingly enough had some of the same pundits as panelists now commenting on the war, there's a lot less naked expression of opinion and more discussion of the facts of the day, the actual events.<sup>8</sup>

Few dared pronounce a permanent sea change in the news business, but there were hopeful signs. The public’s respect for journalists correspondingly increased. In late November 2001 the Pew Center released encouraging data: the public’s steady downward appraisal of the press

that had accelerated during the Monica Lewinsky era reversed itself. "I'm here to say that the public image of the press is improving," said director Andrew Kohut in announcing the findings that 89 percent of the polling sample gave the press an excellent or good rating on its coverage of the war on terrorism in contrast to the average positive rating of 50-60 percent. "That's the first time in 15 years of studying public attitudes towards the press that I've ever said anything remotely close to that."

But rather than allay concerns about the future of journalism, this performance tends to underscore the systematic problems by being the exception that proves the rule. Even as the Pew results were being released, journalism was returning to business as usual. CBS was cutting news budgets in shows like *60 Minutes*, blaming the increased costs of covering the war in Afghanistan. The Project for Excellence in Journalism reported that same month that half the news directors responding to a survey reported they were making budget cuts or layoffs. The newsweeklies would soon restore movie stars to their covers. *Time* magazine managing editor Jim Kelly's explanation: "We can't do 9-11 on the cover every week—there's not enough to say and our readers would begin to think we've become a terror magazine. So you end up with more Hollywood covers that we would normally do. We're looking to lighten our heavy 9-11 load with something interesting and relatively fun."

Approaching the one-year anniversary of September 11th, Peter Jennings admitted that news coverage formulae had become softer than in the wake of the attack. "The dilemma," he told *The Washington Post*, "is that nobody in the news business wishes to be portrayed as having drifted from a very good, profound, responsible period, and yet the truth is we cover the news." That news again included life style, self-help, celebrity. Ratings still counted. "Are we more sensitive about not putting pieces on the air that don't have huge impact?" Jennings asked rhetorically. "Somewhat. But a broadcast filled up with hard, hard, hard news is very hard for an audience to subscribe to."<sup>10</sup>

Although social scientists would be reluctant to draw a one-to-one correspondence, it is revealing to note that by September 2002, with the return to normal news coverage, the public's newly gained respect for the media had dissipated. The proportion of the Pew survey sample that now rated journalism as "highly professional" had dropped below 50 percent. John Lavine, director of the Media Management Center, a joint project of the Kellogg School of Management and the Medill School of

Journalism at Northwestern University, is unsurprised by this turn of events. A spike in media performance and public interest in great events, followed by a subsequent fall off to levels lower than before, is consistent with his research. "With every major conflagration that you can track, audience first goes up and then falls back to where it was and worse as underlying coverage also falls back. Nine-eleven worked because we did the kind of coverage that people want but which we don't often do. Then, with the reversion back to regular coverage, the audience that had come to expect more is turned off," Lavine said.

### **News and the Changing Media Context**

This devolution in hard news in the post-September 11th environment lends credence to what some conferees regard as the steady deterioration in the journalistic capabilities of news organizations. It is not the ability to cover great events in "one shining moment" of professional excellence that they fear is being lost but rather the ability to do the tenacious, on-going reporting which enables a community to better know itself. A firestorm like September 11th gets covered in depth; less likely to be reported are the pre-conditions that lead to crisis. "The big decisions are easy," noted Nancy Hicks Maynard, president of Maynard Partners Incorporated, and a consultant to news organizations. Assigning personnel and resources to major breaking events is a "no brainer." "It's the everyday pieces that are tough to juggle," Maynard noted.

Stripped down newsrooms shrink the time and energy that can be devoted to enterprise reporting. Fundamental stories about government, the environment, education, health care and justice go unreported. Newspapers that once offered comprehensive metropolitan and regional coverage, and that reported regularly on city hall and the courts, are eliminating bureaus because of cost. Although editors have always had to decide what to cover and what to ignore, choices are now being made with as close an eye to the operational profit-and-loss as to the best interest of the reader or viewer.

In response to this critique, management executives point to shrinking newspaper circulations and broadcast news ratings. If traditional journalism cannot support itself, common business sense dictates new approaches. This attitude was aptly summarized by former General Electric chairman Jack Welch in his memoirs, *Jack: Straight from the Gut*. Shortly after General Electric acquired NBC, Welch discovered that

NBC's news president was operating "under the theory that networks should lose money while covering the news in the name of journalistic integrity." Welch's reaction spares no niceties; he and the man (whom he would soon replace) "were on different planets."<sup>11</sup>

Few sitting communication executives—while perhaps more temperate in their language—are likely to take issue with Welch's position that profitability matters. Even those whose background is news acknowledge they walk a tightrope between producing solid journalism and delivering sufficient numbers. "What troubles me about trying to balance the considerations of economics and journalism," observed Pat Mitchell, president and chief executive officer of Public Broadcasting Service, "is that we're falling back into the same trap as before 9-11. We're defining news by what consumers say they want, which is a package that looks like entertainment. Rather than leading our audience, we are responding to them. We're letting them stupefy themselves."

Communication company executives at the Aspen Institute conference, for their part, acknowledged that there is less broadcast airtime or newspaper space devoted to traditional hard news, but they were most reluctant to declare journalism an endangered species. "Any notion that upper management is not concerned with what goes on the pages is wrong," insisted Frank Bennack, chairman of the executive committee and vice chairman of the board of directors of The Hearst Corporation. "I don't believe that there's a disconnect between, on the one hand, content that is generating interest among our readers or viewers and, on the other, journalism as the foundation of our society (which is what so many of us believe in). The debate is not about whether management is ready to put resources into the products but they may not have the same sensitivity about 'real old fashioned' journalism which the newspaper group still has." Indeed, the essence of the management consensus was that the kind of information the public wants is morphing into new formats that likely offend purists in their fusion of fact, opinion, and even fiction. Docudramas or political comedy like *The Daily Show with Jon Stewart*, for example, are regarded as on the journalistic spectrum; late-night talk show hosts Jay Leno and David Letterman are considered credible sources.

Despite this difference in point of view, there was little disagreement between the working journalists and senior management about the structural factors in play that are impacting the viability for what Bennack calls "real old fashioned" journalism. These factors include:

*Passing from the scene of independent media moguls:* The \$24 million documentary history of the Cold War produced by Turner Broadcasting was possible because, as its executive producer Pat Mitchell recalled, "Ted [Turner] wanted to do it. That's a producer's dream, when your boss tells you to take as much time and money as you need." Entrepreneurial owners like Turner, in the tradition of such figures as Henry Luce, could mandate that resources be allocated to projects they deemed personally important. Local publishers, leading citizens in their communities, could impose their will on what news should be covered. The era of such autonomy vested in individuals is over. Ownership now resides in media corporations. Decision-making in such corporate contexts requires a more deliberative process balancing various stakeholder interests, only one of which is journalism in the public interest. With Turner Broadcasting now fully integrated into AOL Time Warner, could the Cold War series be produced today? Perhaps, speculated Gerald Levin, "but the difference is that it wouldn't be from the inspirational initiative of a single person."

*Emergence of a younger audience with different tastes:* Jann Wenner recently complained that the current audience for *Rolling Stone*, unlike when he founded the publication some three decades ago, does not want to read lengthy articles, regardless of the subject. Although journalists have traditionally prided themselves on their comprehensive reporting of public affairs that constitutes the first draft of history, the audience for such fare is diminishing. As a new audience takes the place of the old, is it reasonable to expect generational replacement for daily newspapers and network television news? Nancy Maynard thinks not: "Reader and viewership numbers say young people do not engage traditional news media in the number of their parents or even their older siblings." In the face of such a distressing trend, traditional journalists have been slow to react. It is not from a want of trying. "Editors nowadays are trying hard to bridge the old fault line between news that engages readers, and what editors traditionally wanted to give them, which was political process and governmental action," noted Steven Newhouse, chairman of Advance Publications' Internet division, Advance.net. But the right formula able to combine the approach of classic journalism with the interests of the new audience is not easy to concoct.

*Fragmentation:* The origins of professional journalism resided in a reasonably limited number of news outlets serving geographically bound communities. Today the situation is very different as an abundant number of old and new media distribute information to markets defined more by demographics than place. Technology makes it feasible to sustain viable business models supported by what would have once been unthinkably small, differentiated audiences. Metropolitan newspapers and television networks are losing their dominance in the news ecology, their role in shaping public opinion being supplanted by such placeless media as the Internet and cable channels. Correspondingly, the resources communications corporations once devoted solely to their mainstream journalism operations are now being dispersed across a broader spectrum of entities. “We’re shifting from one paradigm to another,” observed Katherine Fulton, partner in the international consultancy Global Business Network. “It used to be that news equals journalism, geography was the environment people related to, and media was mass. Now what people think of as news is not necessarily journalism, the definitions of community are much more complex, and products are moving to niche available on demand.”

## **Wiring Journalism into the Corporate DNA**

Having presented an array of negative factors, the compelling question is whether there are grounds to be optimistic about the future of journalism. The single best reason for hope was the widely expressed viewpoint of executives at the Aspen Institute conference, shared as an article of faith, that their organizations regard their news mission as a critical component in their success. While a sense of public service no doubt constitutes part of the reason, more important are business considerations about long-term brand value inextricably linked to the vitality of news operations. If their companies are to prosper, their journalistic enterprises must be respected within their markets. The remarks of Dennis FitzSimons, president and chief operating officer of the Tribune Company typified those of his fellow management conferees: “The foundation of all our franchises is journalistic integrity and credibility. We’re pragmatic about this alignment between journalistic quality and long-term value. Anything we might do to diminish the quality of that journalism would diminish the value of assets.”

A respect for journalism runs deep in the institutional history of these companies. Even when the organization has taken on new layers, adding divisions that may be wholly removed from news, the culture of the company remains deeply informed by its journalistic origins. In making the case for policies and practices that revitalize journalistic operations, this link to the company's identity is important to emphasize both to internal and external stakeholders. "We have a long tradition of journalism," emphasized Ken Lowe, president and chief executive officer of The E.W. Scripps Company. Lowe rose through the broadcast side of the company but is keenly aware that his predecessor as CEO began his 50-year career with the company delivering newspapers. "The corporate mission is defined by service to individual markets and communities. Our evaluation system, compensation system, stock option programs, etc. all reinforce that orientation," Lowe said.

Not just for reasons of sentiment and history does the allegiance to journalistic purpose constitute a key criterion in evaluating the strength of properties. Having invested in capital infrastructure that exists to produce news, a key management concern is the strength of the journalistic return that overhead delivers. Although possible to impose a wholly mechanical index of return, the ratio between employee headcount and circulation for example, seasoned communication executives understand there is a subjective "X" factor at play that eludes objective metrics but still constitutes a consequential asset. This is the audience goodwill that accrues through repeated demonstrations of journalistic responsibility, a measure that can be regarded as the "trust factor."

Shrewdly managed organizations permit their senior executives considerable leeway to pursue the journalistic community service that yields goodwill. Alberto Ibargüen, publisher of *The Miami Herald*, described how he enjoys independence in deciding how to allocate resources to service his community as an operating unit within Knight Ridder. A notable moment came when *The Herald* sought to make costly non-budgeted expenditures to conduct an independent audit of the contested Florida Presidential vote following the 2000 election; the corporation supported the request. "When the Board comes to Miami, we talk about what's been achieved journalistically as well as financially," Ibargüen said.

Even in local television news, a medium justifiably criticized for succumbing to sensation, prurience and triviality, there is evidence that good journalism makes for good business. There is no denying the deep-seated problems in the local TV news business. Audiences are



shrinking. Avoidance of local news, according to recent research, has doubled in the past decade. Another survey cites that the overwhelming reason people stop watching local news is its lack of substance. Before writing off the entire enterprise, however, it is revealing to note what happens when the quality of content improves. A study conducted by the Project for Excellence in Journalism from 1998 to 2000 found a positive correlation between superior journalism and audience share: "Stations producing higher-quality local newscasts are twice as likely to be rising in the ratings than falling and more likely to be rising than those that produce lower-quality newscasts."<sup>12</sup>

Communication executives take umbrage at implications that they fail adequately to support journalism. They feel analyses that draw a fault-line between pure journalists and the corporate crowd are arbitrary and mistaken. "If journalism is at death's door, who says so?" wondered Robert Decherd, chairman, president and chief executive officer of Belo Corp. "Corporate types feel pretty good about things. We see the growth in content and media diversity as exciting." The mounting complaints working journalists level against their bosses' redirection of resources from established news enterprises to experimental start-ups, he believes, is because they fail to understand the underlying rationale. "Every time you begin to shift resources to new distribution channels," Decherd continues, "there is often a core group of senior level journalists who decry the absolute inequality of the new media in comparison to the old."

The fragmentation of audiences into multiple entities serviced by supplemental cable and on-line properties constitutes an opportunity to leverage the goodwill of the parent brand. The possibility to capture otherwise lost readers and viewers with alternative media offers an opportunity to grow the entire market for news. Dean Singleton, vice chairman and chief executive officer of the MediaNews Group, explained that "business models are changing very rapidly, newspaper publishers are long since past the day when we looked at ourselves solely as print on paper." Online and cable offerings afford the ability to offer more expansive coverage than is feasible in newspapers or on commercial television. "We have found ways to reach much of the audience through new distribution channels at a different cost structure than conventional broadcast," declared Decherd. "We can offer seven to nine hours of local news on regional cable channels. Ten years ago that would have been unimaginable." Hearst similarly operates a cable news



channel in metropolitan Boston, which now breaks even with some 2.5 million subscribers. Local digital news coverage is in the wings; AOL currently operates such services in twelve markets.

“We now have technologies that educate and entertain people without relying on web presses or powerful broadcast antennae,” observed John Lavine, director of the Readership Institute at Northwestern University. “Indications are that this diffusion works. Twenty-one to 45 year olds take in a vast array of information from everything that’s on the table.” Fragmentation of what was once a mass audience constitutes an irrevocable change but, as executives noted, the point is not to lament this fact but rather work within the new reality to produce content that both “keeps them coming” and delivers substantive journalism.

How the public perceives the parent organization affects the credibility and ultimate success of these ancillary ventures. If the corporate parent is respected and regarded as a credible authority, that halo carries over to the new media entities. With the economics of the new media grounded in the feasibility of re-purposing stories across a spectrum of outlets to reduce fixed costs and benefit from operational synergies, there is an added premium placed on the quality of the original content. “In a diverging market, it makes good business sense to keep investing in your core product,” underscored Boisfeuillet Jones, publisher and chief executive officer of *The Washington Post*. “That makes the audience trust you and regard you as authoritative. That’s what drives your brand.”

Experience has shown that it is the ability to provide the audience with coveted information that ultimately positions a new venture for success. In the final analysis, marketing, and promotion cannot compensate for tepid journalism. In the midst of corporate cultures driven by the revenue concerns of financial officers, this appreciation for journalism as the prime mover can sometimes be obscured. But it is a lesson ignored at one’s perils. “We have a consistent record,” observed Frank Bennack, “that if we start a product because of perceived opportunity in an advertising category, the failure rate is close to 100 percent. If we start because viewers or readers want it, the success factor is much higher. If it’s not about the reader, it doesn’t matter—you can have 200 pages of advertising in the launch edition and a year later you’re lucky to have twelve.”

In light of all these factors—the primacy of journalism in securing corporate brand, the importance of high quality journalism in building the franchise—it is of vital importance to reinforce within the rising

ranks of management an appreciation for the rationale behind commitment to news. Although it would seem that this appreciation for a fundamental source of the organization's well-being should be self-evident, too often it gets obscured in the heat of budget battles (particularly in tough business climates like the present). Top leaders in the parent companies, even when those companies' primary focus remains media, are likely to be drawn from entertainment or advertising backgrounds rather than news. Unwittingly or by design, these new generations of top management can be tempted to resort to quick fix cuts that deplete newsroom resources without fully considering the long-term consequences on journalistic capabilities.

How can journalistic values be hard-wired into the corporate DNA? Seeking answers to this question underscored much of the conference discussion. Forks in the decision tree are rarely couched in the black-and-white terms of polar opposites; media executives do not define their choices between substantive content in the service of public enlightenment versus mass-audience entertainment served up at the lowest tolerable common denominator. But in more subtle forms reconciling such conflicts is what they do. The devil, as they say, is in the details. If these daily managerial decisions are to optimize results, there need to be established landmarks to provide direction. How much fiduciary responsibility is owed to the stockholders? How much democratic stewardship to the public? It is not enough to rely entirely on the personal judgment of each new manager to do the right thing? There needs to be formal guidance embedded within the culture and structure of the organization.

Formally representing the interests of journalism on the corporate board is one way to do this. An approach is to create a committee on the board explicitly charged with overseeing the corporation's journalistic performance in much the same way that boards have committees oversee auditing or executive compensation. This would create advocacy at the board level for journalistic values, as defined and practiced by the corporation according to its own best standards. Such a formally designed committee would constitute an affirmation that the corporation regarded journalism as a balance sheet asset to be both nurtured and held accountable at the governance level of the organization.

While chief executive officer of AOL Time Warner, Gerald Levin sought to introduce such an entity. Explaining his motivation, Levin recalled:

I was so much a product of the strong journalistic culture at Time,

Inc., with its commitment to journalistic integrity without fear or favor to governments, advertisers, or even the company itself. Since I would be the last in line of the old succession after the merger with AOL, I was concerned with the perpetuation of this culture and proposed that the board add a “value creation” committee. The Values and Human Development Committee is how it’s now referred to. The goal is to impress upon the people in the company, even those not directly involved in journalism, that the journalistic perspective is the most important one we have. In the post-Enron era this public interest standard is going to become more important to all companies, although I can’t say that Wall Street accepts any of these premises.

In an era of media management characterized in the recent study *Taking Stock: Journalism and the Publicly Traded Newspaper Company*, by Gilbert Cranberg, Randall Bezanson, and John Soloski as one where technological and economic changes are being imposed with insufficient regard to the impact on the quality of journalism, it is telling that only 17 of the 131 outside directors on 17 boards examined had any journalism experience.<sup>13</sup> Naming working news people as board members constitutes another way to integrate journalistic concerns more formally into the fabric of corporate governance.

This was a subject much discussed at the conference, prompted by recommendations to that effect recently made to the 14 largest publicly owned newspaper companies by a group of prominent former newspaper editors. Unlike board members whose preeminent expertise is financial, these journalist board members would have the credentials to intervene when actions that jeopardized journalistic standards were being contemplated. They would represent not only their colleagues but also the consumers of their product, the public. “That is the voice that’s not being heard at the table, the voice of the reader and the viewer,” argued Geneva Overholser, Hurley Chair in Public Affairs Reporting of the Missouri School of Journalism at the University of Missouri. “We need to find ways to protect that voice and make it heard as well as the stockholders and brought to bear, too, on the bigger issues of the governance of these complex institutions.”

Even operating within current models of board governance, there exist options for more formally integrating journalistic consciousness into the corporate culture. To do this, it is vitally important to propagate a journalistic mission broad enough to engender widespread enthusiasm and provide operational guidelines throughout the organi-

zation. At *The New York Times*, “journalism is sacrosanct and strategy is the responsibility of both the business and news departments,” states Janet Robinson, senior vice president of Newspaper Operations for The New York Times Company. “Attention should be paid to succession planning on both the news and the business sides of our business with an emphasis on developing executives and editors who focus on great journalism and great business results.”

To that end, The Times makes clear to all employees the “Rules of the Road” by which they are to operate. The Core Purpose of the company is to “enhance society by creating, collecting, and distributing high quality news, information and entertainment;” its first Core Value is to produce “content of the highest quality and integrity—this is the basis for our reputation and the means by which we fulfill the public trust and our customers’ expectations.” Lest there not be barriers of misunderstanding of purpose between the two sides of the operation, management cadres are equally expected to implement these values through shared leadership competencies grounded in the company’s “commitment to create and distribute, every day, the best newspaper in the world, and to extend that journalism into other media.”<sup>14</sup>

A clear rendering of what constitutes high quality news and information would advance immeasurably the consolidation of this journalistic consciousness into the fabric of companies’ cultures. There needs to be a simple credo, a kind of Ten Commandments that employees at every level and in every department can tack on their wall. Although not their intent, Bill Kovach and Tom Rosenstiel distill the principles of the profession into a succinct compilation in *The Elements of Journalism* that would aptly provide a template for future company codes:

- Journalism’s first obligation is to the truth;
- Its first loyalty is to citizens;
- Its essence is a discipline of verification;
- Its practitioners must maintain an independence from those they cover;
- It must serve as an independent monitor of power;
- It must provide a forum for public criticism and compromise;
- It must strive to make the significant interesting and relevant;
- It must keep the news comprehensive and proportional; and
- Its practitioners must be allowed to exercise their personal conscience.<sup>15</sup>

## Bringing Journalism and Business into Balance

Amidst the spirited exchanges at the Aspen Institute conference ran a sobering undercurrent of caution. While media executives and journalists sometimes picture themselves in adversarial roles with contradictory definitions of what each side considers value, both grudgingly recognize the other as its best ally as they collectively enter uncertain times. They are tethered together, two halves of a team that collapses with the failure of either party. Both realize that the way things used to be is rapidly fading away.

Whatever measure one chooses—the size and multi-media character of companies, cross-ownership patterns, the reliance on stock market-driven public financing, audience demographics, the ratio of serious news to entertainment—the picture in the news sector is one of significant change. Looking backward to fight the last war won't do if the heritage of journalism and the vitality of journalistic organizations are to thrive in the future. New models of accommodation need to develop. "The tensions in the structural relationships between journalism and media organizations were cloaked by the prosperity in the 1990s and the stock market bubble," observed Katherine Fulton, partner at Global Business Network. "If we don't deal with them in the next few years, the fear of the journalists is that something big will be lost."

Dealing with these tensions will not be easy.

One reason is that opinions about acceptable levels of profitability differ. Journalists believe that media companies seek to extract unusually high profit margins, thereby imposing cost strictures that erode the capability of news operations. "The rate of return is three times the norm of American business in general," cited Geneva Overholser. "Doesn't that set the bar too high?" Periodic reductions in head counts and mandated staff buy-outs are consequences of what journalists consider this misguided pursuit of excessive profit. They point to its destructive effect on newsroom morale and cite as a case in point the dramatic resignation last year of *San Jose Mercury News* publisher Jay Harris several days after Knight Ridder executives met to discuss how to respond to the sharp decline in the newspaper's ad revenues and to achieve the parent company's financial goals for the year.<sup>16</sup>

Executives take issue with contentions that they are pursuing short-sighted financial strategies imposed by what Wall Street expects. On the contrary, they underscore the extent to which several years of declining revenue are forcing them to readdress fundamental questions of

resource allocation. Management is sensitive to the valuation of its stock but they insist there really is no alternative so long as companies rely on public markets for financing (which is true even for privately-held companies which issue debt). "How much is enough profit?" asked Frank Bennack rhetorically. "The answer is simple: whatever attracts capital for investments. There's much too much conversation about what margins ought to be. We can't do what we do if we don't attract capital." Gerald Levin agreed. "Some of the great media companies around the world make greater returns than U.S. companies and still do great journalism," he argued. "I don't think rate of return is the question, it's what you do with it."

A second impediment to alleviating the tensions in the structural relationship is the nature of the industry's "organizational personality." According to the research and analysis of John Lavine, the culture of news organizations tends to be defensive and change-averse. Relative to other industries, journalism is slow to reform its own internal processes or respond to changes in consumer tastes. This reluctance to innovate shows up in the industry's below-average record of investing in improving the skill sets of its people. "Down in the trenches," observed Penelope McPhee, vice president and chief program officer of the Knight Foundation, "the operational issue is 'How do questions of resource utilization get resolved?'" Decision-makers throughout the organization need exposure to best management practices to help make good decisions. "But when you look at training and the resources devoted to it, media companies spend a good deal less than other companies."

In the newsroom, journalists tend to cling to outmoded opinions about what is important to the public even in the face of declining circulation. "The consumer isn't saying they don't want news but they are saying they don't necessarily want what we offer up," explained Lavine. "Seventy percent of the coverage is in the ancient inverted pyramid style and the data says the old news culture is what people aren't interested in. People want to hear a voice that speaks like a human being." Recent research, for example, found not that the public did not care about news but rather it is dissatisfied with many of the staples that editors typically provide (e.g. #1 on the audience preference list was stories about ordinary people, #2 was "how I fit into my community", # 3 was national and international news; crime ranked #8 and sports #9, strongly suggesting that interest doesn't justify the amount of coverage).

There is conservatism on the corporate side, too. Intransigence manifests itself, for example, in the way newspaper and broadcasting chains often implement standardized, one-size-fits-all formats on their stable of properties regardless of idiosyncrasies in communities. Even at the most local levels, there are problems with audience acceptance of what is offered. "The local newspaper is the mass provider of local news but we're losing circulation as fast as anybody," notes Michael Reed, president and chief executive officer of Community Newspaper Holdings. "We're doing a poor job putting out a product people want."

While executives may be willing to acknowledge room for improvement, they do not always welcome complaints laden with attitude emanating up from the newsroom. The interplay between the two camps can grow feisty. "There are times I find journalist responses almost condescending—as if individuals outside the company are lecturing us as to what constitutes 'quality journalism,'" noted Tribune Company's Dennis FitzSimons. "We have a Pulitzer Prize-winning journalist as president of the Tribune newspaper group. He is very capable of making judgments regarding quality journalism and the resources necessary for its production without external critiques."

Acknowledging the weight of institutional inertia, however, does not mitigate the pressing need for response. It just makes the task more demanding. Nurturing journalistic capabilities within multi-media companies without eroding the financial viability of those corporate entities poses the compelling problem for all responsible members of the media community. Solving it will require astute thinking, innovative action, and committed will.

### **An Agenda for Action**

Much of the conversation at the conference, compelling though it was, revisited familiar territory. The points raised were not unfamiliar ones. The context of the debate is well established: Whether journalism is being stripped of resources by multi-media companies with interests other than news or whether, on the other hand, managers in those companies are acting responsibly in shifting resources to those media and formats which best satisfy the demands of the market as measured by return on investment. What was new about this conference was a sense of urgency.

Regardless of bias, both sides agreed that we might well be reaching a point of no return where, without significant initiatives, the old jour-



nalism might cease to be viable as a mass medium. While that might be acceptable in the cycle of business change, the implications of news being diluted into another form of entertainment would have ominous implications for democracy. The conferees agreed that, should this occur, the access of the people to the kind of information necessary for enlightened self-governance would be seriously compromised.

“We are familiar with the general thrust of the issues,” summed up Marvin Kalb, executive director of the Washington office of the Joan Shorenstein Center on the Press, Politics, and Public Policy at Harvard University’s John F. Kennedy School of Government. “What is lacking is concreteness.” Specifically noted was a need to “lace people together” from both corporate and journalism sides in a single organization to address issues collectively and “build the mutual trust factor.” Presently, no such body exists. “We’re going to build frustration rather than solve problems if all we do is talk,” observed Janet Robinson. “There is a need to be much more proactive.”

Various suggestions were proposed in the spirit of reform. Working from within the system, it is recommended that both the profession and individual companies facilitate more frequent interaction between representatives from the publishing side and the journalism side. It was stressed that such dialogue was not meant to lower the wall that protects the news side from undue influence from the business side but rather to facilitate enhanced mutual understanding. At typical company-wide management sessions today, one conferee observed, “all they talk about is numbers. I’ve never heard a conversation about journalistic values.”

Stemming from such meetings might come a newly calibrated sense of what it takes for journalism to find an audience. “Forget the old excuses about media competition, demographic changes and ‘no time to read,’” concluded John Lavine. “It’s content, service, brand and culture that drive newspaper readership.” Reappraising the fundamental tenets of journalism in these categories is vitally important lest the profession continue to rely on conventional practices that may be contributing to current problems.

Another internally-focused suggestion is that the bonus compensation of top editorial personnel not be tied, as is currently the case, in any way to business metrics such as circulation but rather be restricted to pure journalistic criteria. “The size and make-up of compensation to editors has changed significantly in the past few years,” observed Geneva Overholser. “It has altered the culture of the newsroom when



editors are compensated so overwhelmingly on the basis of business goals. If companies reward editors for financial performance, why don't they reward publishers for journalistic accomplishments?"

The idea that elicited the most excitement, however, is one that addressed the external universe with which the media interacts. It is agreed that the optimal way to finance quality journalism would be to generate increased demand for it in the marketplace. How might this occur? A suggestion that resonated with the conferees is a proposal to devise a campaign to encourage Americans to take more seriously their responsibilities as citizens. "There is a connection between the availability of information and the health of civic culture," observed Katherine Fulton. "What the press can do that nobody else can do is ferment and promote the health of the community."

In the rich, often confusing pervasive mix of disparate voices and information, the news media constitute one of the few institutions empowered to render to the public coherent pictures of the world. But for this to happen, members of the public must take seriously their duty to be informed in order to execute their role of "citizen sovereigns." "The real finger should be pointed at the American people to demand the information that leads to knowledge that leads to action," argued Charles Firestone, executive director of the Aspen Institute Communications and Society Program.

Investments in raising the level of public citizenship would be, by extension, investments in increasing the public's demand for high quality news. Participants suggested that informational and educational programs could be developed to encourage civic literacy designed to whet the public's appetite for the best kind of substantive, community-oriented reporting. Acknowledging that is a novel approach, advocates took pains to point out that such audience development efforts would not only sustain the democratic ideal of an informed electorate but also serve the self-interest of media companies themselves with their vested stake in a more knowledgeable society with a heightened appetite for information.

"Why can't the news companies, which depend on audiences who regard themselves as part of a community, invest time, energy, and resources in helping create a curriculum that encourages formation of citizenship?" asked Bill Kovach. "This would produce a population that would be more likely to value serious journalism. It could say, 'I'll con-

sume one kind of stuff for entertainment but I'll go to serious journalism to take what I need to be a citizen.'"

(A preliminary proposal for this approach, Inform America—a proposal for a collaborative project on citizen responsibilities among media entities, journalists, educators and the public at large is included in the Postscripts).

## Conclusion

Conversations like those at the sixth annual Aspen Institute Conference on Journalism and Society, after the heat of dialogue has cooled, are both disheartening and encouraging. In his introductory remarks, moderator Jeff Greenfield likened discussions about the status of journalism to a remark made by the actor Burt Lancaster's character in the movie *Atlantic City*: Standing on the shore marveling at the ocean, the hero tells a newcomer "Ah, but you should have seen it in the old days!"

If the vision of reform is to restore journalism back to a remembered Golden Age when the public got its news from a handful of newspapers and networks that for the most part were sufficiently secure so as not to be subject to undue commercial pressure, it is something of a fool's errand. If, on the other hand, the intent is a more hardheaded effort to align journalism with corporate performance, to suggest how substantive reporting that serves the democratic imperative can also enhance the corporate balance sheet, then there is reason for hope.

It was on this second note that the proceedings at the Aspen Institute conference concluded. Correspondingly, the proposed initiatives that came from the conference deserve to be considered in a spirit of optimism. Particularly noteworthy in this respect is the nascent recommendation that media companies band together to launch a concerted campaign to re-acquaint the public with its role and resources as citizen sovereigns. While easy to devalue at first blush as contrived and unlikely, the elegance in this approach is how it fuses together the interests of democracy (an enlightened polity) with commerce (an expanding audience to underwrite quality journalism in the community interest).

Romantic daydream or the first step for what may ultimately become a landmark initiative? This was the unspoken, open-ended question that defined a day and a half of discourse. If it is possible to revitalize journalism in America today, is this the last, best chance?

## Notes

1. Zenger eloquently defended himself, saying, "No nation ancient or modern has ever lost the liberty of freely speaking, writing or publishing their sentiments, but forthwith lost their liberty in general and became slaves." See *The Trial of John Peter Zenger: An Account* by Doug Linder (2001) Available online: <http://www.law.umkc.edu/faculty/projects/ftrials/zenger/zengeraccount.html>. [Last accessed September 13, 2002.]
2. Lawrence K. Grossman, "Murrow Said It All in 1958," *Columbia Journalism Review*, September-October 2002. Available online: <http://www.cjr.org/year/02/3/grossman.asp>. [Last accessed September 13, 2002.]
3. Ibid.
4. Marc Gunther, "The Transformation of Network News: How Profitability Has Moved Networks Out of Hard News," *Nieman Reports*, Special Issue Summer 1999. Available online: <http://www.nieman.harvard.edu/reports/99-SpNRspecial99/NRspecial99.pdf>. [Last accessed September 13, 2002.]
5. Bill Kovach and Tom Rosenstiel, *The Elements of Journalism*, New York: Crown Publishers, 2001, p. 22-23.
6. Walter Lippmann, *Public Opinion*, 1922, rpt. New York: Free Press Paperbacks, 1997, pp. 226-228.
7. Leonard Downie, Jr. and Robert G. Kaiser, *The News About the News: American Journalism in Peril*, New York: Alfred A. Knopf, 2002, pp.4-5.
8. Jill Abramson, remarks delivered at "What the Public Thinks of News Coverage Since September 11," a Brookings Institution/Harvard University Forum, November 28, 2001. Available online: <http://www.brook.edu/dybdocroot/gs/projects/press/112801.htm>. [Last accessed September 13, 2002.]
9. Andrew Kohut, remarks delivered at "What the Public Thinks of News Coverage Since September 11," a Brookings Institution/Harvard University Forum, November 28, 2001. Available online: <http://www.brook.edu/dybdocroot/gs/projects/press/112801.htm>. [Last accessed September 13, 2002.]
10. Howard Kurtz, "Solemnity Slips Under the Covers: Media's Newfound Somber Tone Gives Way to Familiar Fluff," *The Washington Post*, September 2, 2002, p. A01.
11. As quoted in Lawrence K. Grossman, "Wanted: A New Breed of Media CEOs with Old Fashioned Values," *Columbia Journalism Review*, January – February, 2002. Available online: <http://www.cjr.org/year/02/1/grossman.asp>. [Last accessed September 13, 2002.]
12. Kovach and Rosenstiel, *The Elements of Journalism*, p. 154.
13. Geneva Overholser, "A Hard Look At Public Ownership and Ideas for Control," *Columbia Journalism Review*, September-October 2002. Available online: <http://www.cjr.org/year/01/5/geneva.asp>. [Last accessed September 13, 2002.]

14. The New York Times Company, "Rules of the Road," "Leadership Competencies."
15. Kovach and Rosenstiel, *The Elements of Journalism*, pp. 12-13.
16. "What troubled me—something that had never happened before in all my years in the company—was that little or no attention was paid to the consequences of achieving 'the number,'" Harris would later tell a meeting of the American Society of Newspaper Editors. "There was virtually no discussion of the damage that would be done to the quality and aspirations of the *Mercury News* as a journalistic endeavor or to its ability to fulfill its responsibilities to the community." Remarks of Jay Harris to the American Society of Newspaper Editors annual meeting, Washington, D.C., April 6, 2001. Available online: <http://www.poynter.org/offthe-news/041201harris.htm>. [Last accessed September 13, 2002.]



# POSTSCRIPTS





## Postscript

*Conference organizers invited participants to submit further thoughts on the topics discussed at the meeting. The following paragraph is an amplification of thoughts raised at the meeting by Robert W. Dechard, chairman, president, and CEO of Belo, Corp. Following that is a more detailed proposal by Charles Firestone, executive director of the Aspen Institute Communications and Society Program, for a collaborative activity that media, civic groups, educators and others could undertake to help foster public demand for quality journalism.*

The practice of journalism has always reflected contemporary forces in American society, and this had been particularly true in the rapidly-changing environment of the past decade. Nonetheless, the basic tenets of good journalism continue to drive the best news organizations. For this to continue to be so, it is essential that the directors and officers of the companies that influence journalism most have a deep-seated belief in the role of quality journalism in our democracy. I am optimistic about this, while recognizing that there always has been—and will be—a wide range of beliefs about what constitutes quality journalism and who is qualified to be a journalist in the first place. An active, intelligent discourse about journalism at the highest levels of media corporations is the single-most important factor in assuring the continued well-being of quality journalism in the United States. As the conference report recommends, there must also be regular, open dialogue between corporate executives, editors of leading media organizations and the principal industry organizations that represent journalists. It is important to note that the views of our audiences are key to this being a productive process.

Robert W. Dechard  
Chairman of the Board  
President and Chief Executive Officer  
Belo Corp.



## **Inform America**

### **A proposal for a collaborative project on citizen responsibilities among media entities, journalists, educators, and the public at large**

*Charles M. Firestone*

In discussions among journalists, editors and media executives, the issue of encouraging public demand for quality journalism arises again and again. At the same time, media companies are seeking increasing readership/viewership, particularly from younger audiences. This project suggests that both goals can be achieved through collaborative action among media businesses and journalists, in conjunction with American schools and other interested parties, to make United States citizens aware of and more active in exercising their responsibilities as citizens to be informed of the days' events.

Furthermore, if newspapers and broadcast stations are going to be cross-owned in given localities with greater frequency in the future, their cooperation to encourage news and civic literacy would be a positive outcome of the corresponding loss of additional voices in the community.

### **The Problem**

Many journalists perceive that media companies are lessening their allocation of resources for traditional journalism or in other ways moving away from traditional quality journalism. Media entities, facing pressures from increasing fragmentation of audiences and competition from new sources of information, and from increasing demands from Wall Street for higher returns on investment, are at times re-allocating their resources—often to maintain a high standard of journalism in new and different ways, but also in ways threatening to existing journalists. They are also seeking to combine with other local media outlets to lessen the competitive burden and realize efficiencies and synergies of consolidated ownership. Both journalists and media business executives would like to see the public increase their reliance on good news reporting for information and knowledge that can enhance the citizen's ability to self-

govern. For both groups this would involve increasing readership of newspapers and news type magazines, increasing viewership of local newscasts, and increasing attention to “quality” efforts in journalism. Furthermore, for long-term sustainability, these media need younger consumers, who often prefer the newer electronic media to newspapers and broadcast.

Yet news organizations, like other major institutions in the United States, receive less credence and respect than in an earlier day. Whether caused by tabloidization of the news by certain entities, an increasing number of media programs being confused with journalism, or just a general trend away from authority, there remains a gap between readership/viewership, particularly younger demographics, and journalistic organizations in this country.

Furthermore, after the September 11th attacks, the United States is facing a new period of patriotism. This includes such efforts as Justice Anthony Kennedy’s “Dialogue on Freedom,” a program in association with the American Bar Association that engages high school students to talk about American values. In focusing on civic literacy, as some call the understanding of citizenship, the American public can and should learn not only their rights, but also their responsibilities as citizens in a representative democracy.

One right of citizens is to enjoy freedom of speech and thought, to have access to information from diverse sources. While not included in the U.S. Constitution, however, citizens who self-govern also have a responsibility to be informed. That responsibility underlies this proposal.

Meanwhile, there is an increasing likelihood that regulations barring future common ownership of newspapers and broadcasting stations in the same locality will be relaxed in the coming year. While some argue that such action will lead to fewer major sources for local news and information, the proposal to “Inform America” could be one positive outcome of new consolidations of local media ownership.

## **A Collaborative Solution**

A campaign to educate citizens on their responsibilities to be informed can leverage the economic interests of media owners with a broader societal interest in increasing the responsibility of citizens to

become informed of the events of the day. Such a campaign also fits directly into the need and desire of journalists and media executives to increase demand for quality journalism.

To promote young and discriminating audiences for quality journalism, journalists and media executives together should engage in a campaign to “Inform America.” This could include a campaign to promote civic literacy, promote news literacy, use newspapers in school curricula, promote and encourage younger people to engage with newspapers, and generally to encourage Americans to exercise not only their rights, but their responsibilities as citizens to be informed of the affairs of state, whether on the local, regional, national or international levels.

American citizens are quick to demand rights, but now is a time, as well, to exercise responsibility. The underlying principle and strength of democracy is self-governance by the citizenry. To exercise one’s duties as citizen-sovereign, one should be informed as to the important issues of the day. Among other sources, that information should come from newspapers, newscasts, magazines, and electronic sources. If the public can see the connection between the two, news and citizenship, it is our hope that over time they will demand more and better news reporting and commentary from trusted sources.

Indeed, arguments between editors and media executives regarding the allocation of resources for news misses the real culprit in the decline of news values: the American public, who should be demanding more and better news reporting on matters that make a difference in our roles as citizen sovereigns. Accordingly, it is incumbent on news establishments, as well as interested foundations, citizens groups, educators and other relevant parties to encourage Americans to read; to access information of importance to the affairs of government; to be critical of what they read, hear and see; and exercise to their responsibilities of citizenship in this sphere.

A campaign of this type would involve aspects of each of the following elements. In each case there are already activities underway and the beginnings of an infrastructure for delivery of the activity. What is needed, however, is a coordinated, reinforcing campaign. A campaign that moves from civic literacy to news literacy and back again. One that encourages our youth to be informed citizens and to consume news reporting as one tool of responsible citizenship. The activities would involve:

1. Support from the major newspaper and broadcast associations, Newspaper Association of America, National Association of Broadcasters, National Newspaper Publishers Association, National Cable Television Association, etc. to promote the campaign to “Inform America.” This would involve enlisting the leadership of those organizations as well as the leadership of constituent enterprises to go beyond their current efforts, to coordinate their respective campaigns and activities, and to cross-promote the activities within the campaign.
2. Support from journalists and journalist organizations such as American Society of Newspaper Editors, Committee for Concerned Journalists, Sigma Chi, Guilds, etc. to speak and write on the theme. There may be activities already underway within each organization, but again, coordination and mutual support would be key in moving the campaign forward.
3. Support from civic organizations such as Empower America, Points of Light Foundation, and others to engage journalists, educators and others to reinforce the concept of citizen responsibilities, including the responsibility to be informed of the events of the day.
4. Support from educational organizations including the school chiefs, Departments of Education in the states, National Educators Association, American Federation of Teachers, School Boards associations, etc. to include civic literacy and news literacy in their curricula. Certainly, there are programs of civic education, the use of newspapers and other media in educational curricula, Cable in the Classroom, and the like. But enlisting the schools and media to work together in a larger endeavor would enhance the efforts of each.
5. Support from youth oriented organizations such as Boys and Girls Clubs and MTV to support the campaign.
6. Foundation support in catalyzing and coordinating these efforts at the initial stages. Certainly foundations such as the Knight Foundation, the Ford Foundation, the McCormick Tribune Foundation, the Pew Charitable Trusts and the Freedom Forum have focused on aspects of this issue, and the need for aiding public demand for quality news reporting in

many of their activities. At least some of them should be interested in a coordinated campaign.

7. Work with such non-profits as the Advertising Council, the Public Agenda Foundation, and other similar functional organizations, to further the campaign.

## **Conclusion**

This appears to be an immense job, but the aims are noble at all levels: a more informed citizenry, a more demanding public for good news reporting, a younger cohort using the tools of news in their daily lives, and interesting new resources for educational institutions to teach traditional topics as well as civic literacy. And it is in the economic interests of some of the largest and most important industries in this country to reach those goals. We need the top executives and industry leaders, respected journalists and editors, association leaders, foundation officers, and others to come together to craft a project that achieves these purposes. The Communications and Society Program stands ready to help.

# APPENDIX





The Sixth Annual Aspen Institute  
Conference on Journalism and Society

June 13-15, 2002  
Queenstown, Maryland

## List of Conference Participants

**Frank A. Bennack, Jr.** is chairman of the executive committee and vice chairman of the board of directors of The Hearst Corporation. In May 2002, Mr. Bennack retired as CEO of the Hearst Corporation, a position he had held for 23 years.

**Louis D. Boccardi** is president and chief executive officer of The Associated Press. Mr. Boccardi has taken a leading role within the news industry on critical First Amendment legal issues and problems of readership and credibility.

**Robert W. Dechard** is chairman, president and chief executive officer at Belo Corp. Belo Corp. owns four daily newspapers including the *Dallas Morning News*, *The Providence Journal* and the *Riverside (Calif.) Press-Enterprise*, 19 television stations, and owns or operates six cable news channels.

**Charles M. Firestone** is executive director of the Aspen Institute Communications and Society Program. His career includes positions as an attorney at the Federal Communications Commission, director of litigation for a Washington, DC public interest law firm, and communications and entertainment attorney in Los Angeles.

**Dennis J. FitzSimons** is president and chief operating officer of Tribune Company. Since 1982, he has held a number of posts in the Tribune Company's broadcasting and publishing groups, including vice president and general manager at WGN-TV in Chicago.

**Katherine Fulton** is a partner at the Global Business Network (GBN). Prior to joining GBN, Ms. Fulton worked as a reporter, publishing executive, and non-profit leader, and she taught courses exploring the future of communications and leadership at Duke University.

Note: Titles and affiliations are as of the date of the conference.



**Jeff Greenfield** is senior analyst and contributor to *Inside Politics with Judy Woodruff* on CNN, and also contributes regularly to CNN's other marquee news programs. Prior to joining CNN, Mr. Greenfield was ABC News' political and media analyst for 14 years.

**Alberto Iburgüen** is the publisher of *The Miami Herald* and chairman of the Miami Herald Publishing Company. He currently serves as vice chair of Public Broadcasting Service and on the boards of the Freedom Forum, Inter-American Press Association, Newspaper Association of America, and the Committee to Protect Journalists.

**Robert Iger** is president and chief operating officer at The Walt Disney Company. Prior to the merger between ABC and The Walt Disney Company, Mr. Iger served as president and chief operating officer of Capital Cities/ABC.

**Boisfeuillet Jones, Jr.** is publisher and chief executive officer of *The Washington Post*. He is a director of The Associated Press, Newspaper Association of America, the Eugene & Agnes Meyer Foundation, the Federal City Council, and several *Post* affiliates including the *International Herald Tribune*.

**Marvin Kalb** is the executive director of the Washington office of the Joan Shorenstein Center on the Press, Politics, and Public Policy at the John F. Kennedy School of Government at Harvard University. Mr. Kalb leads *The Kalb Report*, a monthly public affairs program that features interviews and panel discussions with both senior journalists in the profession, and the CEOs that run their companies.

**Bill Kovach** is chairman of the Committee of Concerned Journalists. He has been a journalist and writer for forty years including 18 years as a reporter and editor for *The New York Times*.

**John Lavine** is director of the Readership Institute and the founding director of the Media Management Center, both at Northwestern University. He holds appointments as a professor of media management and strategy in the Kellogg Graduate School of Management and the Medill School of Journalism.

**Gerald M. Levin** is the retired chief executive officer of AOL Time Warner. Mr. Levin was a leading architect of the merger of America Online and Time Warner in 2001, as well as a prime mover of the Time Inc. and Warner Communications merger in 1990 and Time Warner's merger with Turner Broadcasting System in 1996.

Note: Titles and affiliations are as of the date of the conference.

**Ken Lowe** is president and chief executive officer at The E.W. Scripps Company. Lowe began his career in radio with Southern Broadcasting, joining Scripps in 1980 as general manager of the company's radio properties and eventually moving to television where he founded and launched Home and Garden Television (HGTV).

**Nancy Hicks Maynard** is president of Maynard Partners Incorporated. Maynard Partners Inc. is a New York consulting company that focuses on media economics and its impact on the future.

**Penelope McPhee** is vice president and chief program officer at the John S. and James L. Knight Foundation. Prior to joining the Foundation, Ms. McPhee had a distinguished career as an author and television producer.

**Pat Mitchell** is the president and chief executive officer at PBS, the Public Broadcasting Service. Prior to PBS, Ms. Mitchell was president of CNN Productions and Time Inc. Television where she was responsible for developing, commissioning and supervising original, nonfiction programming projects for CNN, TBS, and other Turner and Time Warner networks and businesses.

**Steven Newhouse** is chairman of Advance.net, the holding company for Advance Publications' national and local Internet efforts. Advance Publications is made up of a newspaper group with 26 daily newspapers and numerous weekly newspapers, American City Business Journals, Conde Nast Publications, Parade Publications, Fairchild Publications and a cable television partnership with AOL Time Warner.

**Eric Newton** is director of Journalism Initiatives at The John S. and James L. Knight Foundation. Prior to his position at the Knight Foundation, he was founding managing editor of the Freedom Forum's Newseum.

**Geneva Overholser** holds the Hurley Chair in Public Affairs Reporting at the Missouri School of Journalism at the University of Missouri–Columbia. Ms. Overholser previously served as ombudsman at *The Washington Post*, editor of the *Des Moines Register* and member of the editorial board of *The New York Times*.

**Michael E. Reed** is president and chief executive officer at the Community Newspaper Holdings, Inc. Mr. Reed is newly elected to the board of directors for The Associated Press and also serves on the boards of the Newspaper Association of America and the Inland Newspaper Association.

Note: Titles and affiliations are as of the date of the conference.

**Janet L. Robinson** is senior vice president of Newspaper Operations at The New York Times Company. She is also the president and general manager of *The New York Times*.

**William Dean Singleton** is vice chairman and chief executive officer of MediaNews Group, Inc., which publishes 50 daily newspapers and 94 non-daily publications in 13 states. Mr. Singleton is also chairman of the board and publisher of *The Denver Post*.

#### *Rapporteur*

**Neil Shister** is an independent author and journalist. He has held positions as correspondent, writer, and editor/publisher with several prominent news operations.

#### *Staff*

**Lisa Dauernheim** is the senior program coordinator at the Communications and Society Program at the Aspen Institute.

**Amy Korzick Garmer** is director of journalism projects at the Communications and Society Program at the Aspen Institute.

What Corporate Leaders and Journalists had to say at the sixth annual  
Aspen Institute Conference on Journalism and Society

## **Journalism and Commercial Success: Expanding the Business Case for Quality News and Information**

June 13-15, 2002  
Queenstown, Maryland

### **Journalism and the Democratic Imperative**

“Where freedom is suppressed, the first thing that happens after despots take over is they take over the communications.”

-Louis D. Boccardi, president and CEO, The Associated Press, p. 7

“The world changes with every generation but those of us who spend time monitoring the behavior of something we love fear that journalism could disappear into this current mix of communication and the public would never see it go.”

-Bill Kovach, chairman, Committee of Concerned Journalists, p. 9

### **What September 11th Reveals About the State of Journalism**

“No company was impacted by 9-11 more than Disney. It cost us a lot to cover, tourism dropped off the face of the earth cutting revenue at our parks, and our television advertising revenue came to a standstill as the market was in shambles, but it never stopped us. We never wavered in terms of covering the story.”

-Robert Iger, president and COO, The Walt Disney Company, p. 10

Note: Titles and affiliations are as of the date of the conference.

“With every major conflagration that you can track, audience first goes up and then falls back to where it was and worse as underlying coverage also falls back. Nine-eleven worked because we did the kind of coverage that people want but which we don’t often do. Then, with the reversion back to regular coverage, the audience that had come to expect more is turned off.”

-John Lavine, director of the Media Management Center,  
Northwestern University, p. 12

“The big decisions are easy. It’s the everyday pieces that are tough to juggle.”

-Nancy Hicks Maynard,  
president, Maynard Partners Incorporated, p. 12

### **News and the Changing Media Context**

“What troubles me about trying to balance the considerations of economics and journalism is that we’re falling back into the same trap as before 9-11. We’re defining news by what consumers say they want, which is a package that looks like entertainment. Rather than leading our audience, we are responding to them. We’re letting them stupefy themselves.”

-Pat Mitchell, president and CEO, Public Broadcasting Service, p. 13

“I don’t believe that there’s a disconnect between, on the one hand, content that is generating interest among our readers or viewers and, on the other, journalism as the foundation of our society (which is what so many of us believe in). The debate is not about whether management is ready to put resources into the products but they may not have the same sensitivity about ‘real old fashioned’ journalism which the newspaper group still has.”

-Frank A. Bennack, Jr., chairman of the executive committee and vice chairman of the board of directors, The Hearst Corporation, p. 13

“We’re shifting from one paradigm to another. It used to be that news equals journalism, geography was the environment people related to, and media was mass. Now what people think of as news is not necessarily journalism, the definitions of community are much more complex, and products are moving to niche available on demand.”

-Katherine Fulton, partner, Global Business Network, p. 15

### **Wiring Journalism into the Corporate DNA**

“The foundation of all our franchises is journalistic integrity and credibility. We’re pragmatic about this alignment between journalistic quality and long-term value. Anything we might do to diminish the quality of that journalism would diminish the value of assets.”

-Dennis FitzSimons, president and COO, Tribune Company, p. 15

“We have a long tradition of journalism. The corporate mission is defined by service to individual markets and communities. Our evaluation system, compensation system, stock option programs, etc. all reinforce that orientation.”

-Ken Lowe, president and CEO, The E.W. Scripps Company, p. 16

“When the Board [of directors of Knight Ridder] comes to Miami, we talk about what’s been achieved journalistically as well as financially.”

-Alberto Ibargüen, publisher of *The Miami Herald*, p. 16

“If journalism is at death’s door, who says so? Corporate types feel pretty good about things. We see the growth in content and media diversity as exciting.... Every time you begin to shift resources to new distribution channels, there is often a core group of senior level journalists who decry the absolute inequality of the new media in comparison to the old.”

-Robert W. Decherd, chairman of the board,  
president and CEO, Belo Corp., p. 17

“...business models are changing very rapidly, newspaper publishers are long since past the day when we looked at ourselves solely as print on paper.”

-Dean Singleton, vice chairman and CEO,  
MediaNews Group, Inc., p. 17

“We have found ways to reach much of the audience through new distribution channels at a different cost structure than conventional broadcast. We can offer seven to nine hours of local news on regional cable channels. Ten years ago that would have been unimaginable.”

-Robert W. Decherd, chairman of the board,  
president and CEO, Belo Corp., p. 17

“In a diverging market, it makes good business sense to keep investing in your core product. That makes the audience trust you and regard you as authoritative. That’s what drives your brand.”

-Boisfeuillet Jones, Jr., publisher and CEO,  
*The Washington Post*, p. 18

“We have a consistent record that if we start a product because of perceived opportunity in an advertising category, the failure rate is close to 100 percent. If we start because viewers or readers want it, the success factor is much higher. If it’s not about the reader, it doesn’t matter—you can have 200 pages of advertising in the launch edition and a year later you’re lucky to have 12.”

-Frank A. Bennack, Jr., chairman of the executive committee and vice chairman of the board of directors, The Hearst Corporation, p. 18

“That is the voice that’s not being heard at the table, the voice of the reader and the viewer. We need to find ways to protect that voice and make it heard as well as the stockholders and brought to bear, too, on the bigger issues of the governance of these complex institutions.”

-Geneva Overholser, Hurley Chair in Public Affairs Reporting,  
Missouri School of Journalism, University of Missouri, p. 20

“Attention should be paid to succession planning on both the news and the business sides of our business with an emphasis on developing executives and editors who focus on great journalism and great business results.”

-Janet L. Robinson, senior vice president, Newspaper Operations,  
The New York Times Company, p. 21

### **Bringing Journalism and Business into Balance**

“The tensions in the structural relationships between journalism and media organizations were cloaked by the prosperity in the 1990s and the stock market bubble. If we don’t deal with them in the next few years, the fear of the journalists is that something big will be lost.”

-Katherine Fulton, partner, Global Business Network, p. 22

“The rate of return [for media companies] is three times the norm of American business in general. Doesn’t that set the bar too high?”

-Geneva Overholser, Hurley Chair in Public Affairs Reporting,  
Missouri School of Journalism, University of Missouri, p. 22

“How much is enough profit? The answer is simple: whatever attracts capital for investments. There’s much too much conversation about what margins ought to be. We can’t do what we do if we don’t attract capital.”

-Frank A. Bennack, Jr., chairman of the executive committee and vice chairman of the board of directors, The Hearst Corporation, p. 23

“Some of the great media companies around the world make greater returns than U.S. companies and still do great journalism. I don’t think rate of return is the question, it’s what you do with it.”

-Gerald M. Levin, retired CEO, AOL Time Warner, p. 23



"Down in the trenches the operational issue is 'How do questions of resource utilization get resolved?' ...when you look at training and the resources devoted to it, media companies spend a good deal less than other companies."

-Penelope McPhee, vice president and COO,  
The John S. and James L. Knight Foundation, p. 23

"The local newspaper is the mass provider of local news but we're losing circulation as fast as anybody. We're doing a poor job putting out a product people want."

-Michael E. Reed, president and CEO,  
Community Newspaper Holdings, Inc., p. 24

"We're going to build frustration rather than solve problems if all we do is talk. There is a need to be much more proactive."

-Janet L. Robinson, senior vice president,  
Newspaper Operations, The New York Times Company, p. 25

"We are familiar with the general thrust of the issues. What is lacking is concreteness."

-Marvin Kalb, executive director, Washington office,  
Joan Shorenstein Center on the Press, Politics, and  
Public Policy, Harvard University, p. 25

"Forget the old excuses about media competition, demographic changes and 'no time to read'. It's content, service, brand and culture that drive newspaper readership."

-John Lavine, director of the Media Management Center,  
Northwestern University, p. 25

“If companies reward editors for financial performance, why don't they reward publishers for journalistic accomplishments?”

-Geneva Overholser, Hurley Chair in Public Affairs Reporting,  
Missouri School of Journalism, University of Missouri, p. 25-26

“There is a connection between the availability of information and the health of civic culture. What the press can do that nobody else can do is ferment and promote the health of the community.”

-Katherine Fulton, partner, Global Business Network, p. 26

“Why can't the news companies, which depend on audiences who regard themselves as part of a community, invest time, energy and resources in helping create a curriculum that encourages formation of citizenship? This would produce a population that would be more likely to value serious journalism. It could say, 'I'll consume one kind of stuff for entertainment but I'll go to serious journalism to take what I need to be a citizen.'”

-Bill Kovach, chairman, Committee of Concerned Journalists, p. 26

"The real finger should be pointed at the American people to demand the information that leads to knowledge that leads to action."

-Charles M. Firestone, executive director, the Aspen Institute  
Communications and Society Program, p. 26



## About the Authors

**Neil Shister**, a Washington-based writer and former publisher/editor of *Insight* magazine, is the author of *The Ten Minute Guide to Negotiation* (Macmillan). His previous positions include correspondent with *Time* magazine, television writer for *The Miami Herald*, editor/publisher of *Atlanta* magazine (Atlanta, Georgia), senior vice president at Hill and Knowlton Public Relations, and vice president for marketing, Inc. Magazine Business Resources. Mr. Shister graduated Phi Beta Kappa from the University of Michigan and holds a master's degree in Philosophy (M.Phil.) from Yale University. He taught secondary school as a Peace Corps volunteer in the Ivory Coast.

**Charles M. Firestone** is executive director of the Aspen Institute Communications and Society Program. For three years he was also the Institute's executive vice president for policy programs and international activities. Prior to his arrival at the Aspen Institute, Mr. Firestone was director of the Communications Law Program at the University of California at Los Angeles and an adjunct professor of law at the UCLA Law School. His career includes positions as an attorney at the Federal Communications Commission, as director of litigation for a Washington, DC public interest law firm, and as a communications and entertainment attorney in Los Angeles. He has argued several landmark communications law cases before the United States Supreme Court and other federal appellate courts. Mr. Firestone holds degrees from Amherst College and Duke University Law School, and is the editor or co-author of seven books, including *Digital Broadcasting and the Public Interest* (The Aspen Institute, 1998) and *Television and Elections* (The Aspen Institute, 1992), and has written numerous articles on communications law and policy.



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