

STATEMENT TO THE FEDERAL COMMUNICATIONS COMMISSION

By

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Good afternoon. Thank you for the opportunity to speak today.

I've been asked to offer a description of the landscape of local TV and radio news. Over the last 13 years at the Pew Research Center's Project for Excellence in Journalism we have produced extensive content analysis of local TV, conducted hundreds of training sessions in TV newsrooms and produced a book on the industry. We've also tracked both local radio news and local television news in our annual State of the News Media reports. The next one coming March 15.

We call the Pew Research Center a "fact tank." We do no advocacy, no lobbying. We do not offer policy solutions. Instead, we try to offer a dispassionate, empirical and factual assessment of the fields we study—information for its own sake.

Our data suggests differing landscapes for radio and television news.

Local radio news has been substantially transformed over the last 25 years. To a significant degree locally based radio reporting on local concerns in radio has shriveled. This has coincided with, and some argue been driven by, changes at the FCC, starting with deregulation in the 1980s elimination of the Fairness Doctrine and more. Others cite different factors. We have not studied causes.

But I can describe what is occurring in radio news. While News/Talk/Information as a general radio format category remains among the most popular of all formats, our content studies suggest this involves only very limited actual local reporting by radio. Most stations today are offering talk--either nationally syndicated or local--plus national and local headlines.

How many cities have local radio reporters actually out on the streets doing local reporting with actualities is hard to quantify, but there are some clues.

In 2009, there were only 27 stations left in the United States that listed themselves with Arbitron as "All News" stations. That number was down from 31 in 2008. By contrast, 1,583 list themselves as News/Talk/Information.

What's more, most radio newsrooms are very small. In 2008, according to data from Robert Papper of Hofstra University, who conducts surveys of local radio stations annually for the Radio-Television Digital News Association, the typical radio station, or median, has just one employee working in news.

We have done studies in which we found no local street reporting on radio in cities at all.

Another trend in radio is one newsroom servicing multiple stations. In the winter of 2008, according to Papper's data, fully 75% of these small newsroom operations serviced more than one station; 31% produce news for four or more.

In most American cities, radio news is now a national medium dominated by public broadcasting, whose audience has grown as local radio news has shrunk.

The situation in local television news is quite different.

First, local news reporting is very important to the bottom line. On average, local TV stations make 44% of their revenue from news broadcasts, according to professor Papper's 2008 survey of news directors.

But that revenue, just as in all broadcasting, is being challenged by audience trends. There are some distinctions by market size and geographic breakdown, but our analysis at PEJ using Nielsen Media Research data finds that across more than 200 markets, or roughly 800 stations, there is a clear pattern of decline, and it appears to be accelerating. In 2009, we will report later this month, the audience for local news declined across all day parts and across all network affiliates in viewership, ratings and share.

That has been true for late news and early evening news for some years. In 2009 it was true for early morning news as well.

Some in the local TV industry contend that the combined audience at their stations has held up; it is just spread across more programs during the day. That may well be true for certain stations. But our analysis finds it is not true in aggregate.

Some point to more unaffiliated stations doing news, but the audiences there do not come close to what has been lost at the newscasts of affiliates of the four networks, ABC, NBC, Fox or ABC.

TV stations have multiple ways of responding to these pressures on audience and revenue. They can cut costs. They can add revenue opportunities within programs—things like sponsored segments, more ads per newscast, or embedding logos in things like weather maps. They also can add additional hours of news programming during the week to sell ads against.

All of those things have been happening.

Budgets overall are down. Professor Papper estimates the local TV news industry lost about 1,600 news jobs in 2009 and 2008, a decline of about 6% jobs from an industry high in 2007. In his latest survey, 70% of news directors expected their budgets to be lower or remain the same, while a quarter expected increases—higher numbers than before.

Budgets alone can also be misleading. The number of hours of news programming on average per station has been growing for years. In 2008, the latest year for which Papper has data, the average station produced 4.6 hours of news, up 24% from 3.7 hours from 2003, and news directors tell us the trend began before that. We conducted annual surveys of news directors from 1998 to 2002, and they told us generally that these increases in programming hours were not matched by a commensurate increase in budgeting. In many cases, the transition to digital came out of their budget as well.

Some people in local TV news will argue that these expanding hours of news amounts to more public service, but that statement alone is an oversimplification. A close look at the content suggests adding hours of programming without adding commensurate resources, while also building out digital and the web, has had a distinct effect on what the public receives. Many people in local TV news believe the product has been thinned out.

From 1998 through 2001, we saw measurable decreases in the level of enterprise in stories. We saw more instances of cameras being sent to events without correspondents. We saw a higher percentage of tell stories, those narrated by the anchors, use of press release material and syndicated material.

Overall, the percentage of stories with a reporter on scene fell by 30%. The percentage of stories that were syndicated material rather than locally produced rose by 62%. The number of spot news stories, those that were truly live, local and late-breaking, dropped by 31%.

Importantly, the highest level of enterprise—investigations, special series or long interview segments—held steady over the period studied. Roughly 9% of stories, excluding weather and sports, fell into this category. Although the substance of this enterprise can vary widely by station, stations appear to have protected their spotlight and investigative teams as important to their brand. So it is not true, in our data at least, that there is less classic investigative work. It is the level of local reporting in other work that has been affected.

And there is every reason to believe that this phenomenon of stretching resources thinner has continued through this decade.

Like radio, some local TV stations are also outsourcing news operations. In 2009, 207 stations, 22% of those that air newscasts, have them produced by other stations, according to Papper's data, which may be a wise use of resources, but is also a sign of pressured economics.

There have been many debates over what gets covered on local TV news? Some critics have contended that subject matter of local TV news is too limited, or too focused on crimes, fires and accidents. Our studies suggest something more complex. Between 1998 and 2002, a study of some 2,400 newscasts, more than 30,000 stories, we found that crime accounted for 24% of the stories on local news, followed by human interest at

10%, politics at 10% and social issues at 8%. Accidents made up 6%, as did disasters and health and consumer news.

But there is something in conventional wisdom of local TV newsrooms today that leads news professionals to give more time and emphasis to these public safety stories because they consider them more visually stimulating. While crime, disasters and accidents make up 36% of all stories studied in our 1998-2002 study, they made up 61% of all lead stories, those given the most time and reporting resources on the air. And in subsequent, smaller 2005 studies crime, fires and disasters made up 77% of lead stories.

Why? Both our content data and the training sessions we did with more than 1,000 local TV news professionals found an overwhelming sensibility toward front-loading newscasts with certain subjects to “hook and then hold” the audience. This has led to what we called an X-Structure of newscasts. Stories that are considered visually stimulating lead the newscast and were given more resources. Stories that are considered non-visual are placed in the middle of the newscasts, given less time and handled with brief anchor reads. Human interest stories that are easily promotable and teasable are held to the end of the newscast and given more time again.

Crime, fire and accidents tended to lead. Government, social issues, stories about infrastructure were most likely to be in the middle of the newscast. Features came last.

Ironically, more sophisticated audience analysis also finds this thinking is misguided. With university researchers, analyzing years of data from hundreds of markets—work that costs far more than any station could ever attempt—we found the focus on visually stimulating and emotional stories did not build audiences. Indeed, the topic of a story is largely irrelevant to whether it will help your long-term audience trends—contrary to what consultants may tell their clients.

Instead, what influences ratings over the long term is the treatment—not the topic—how well the story is put together and whether it contains real information that matters. Do better stories on any topic and put them at the top of the newscast, and the data suggest with statistical significance that you will build an audience over time and keep it. It’s surprisingly simple and intuitive, but it is contradicted by mythology and what is easier to do.

Historically, Wall Street has also expected very high returns on investment in local TV. Earlier in this decade, operating profit margins of 40% and even 50% were not unheard of in large markets. Those numbers have doubtless come down, but they remain high.

Over the years we have met hundreds and hundreds of highly dedicated people in local TV and radio news who believe that audiences respond to public service journalism and reward it with good ratings. But finding the resources to do this work, and being granted the time to build an audience this way, is increasingly challenging. And audience trends are likely to make those challenges even harder.