

Can Anything Stop the News-Industry Meltdown?

The news industry has been in decline for decades, but the latest round of layoffs is especially ominous.

By Paul Farhi

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For a few hours last Tuesday, the entire news business seemed to be collapsing all at once. Journalists at *Time* magazine and *National Geographic* [announced](#) that they had been laid off. Unionized employees at magazines owned by Condé Nast staged a one-day strike to protest imminent cuts. By far the grimmest news was from the *Los Angeles Times*, the biggest newspaper west of the Washington, D.C., area. After weeks of rumors, the paper announced that it was cutting 115 people, more than 20 percent of its newsroom.

The *Times* was once a pillar of the American media establishment, celebrated in David Halberstam's classic media study, [The Powers That Be](#). Now it has become a national exemplar of what the journalist Margaret

Sullivan [calls](#) the “ghosting” of the news—the gradual withering of news-gathering muscle as once-proud publications become shadows of their old selves. The biotech billionaire Patrick Soon-Shiong looked like a savior when he bought the *Times* from its cost-cutting corporate parent in 2018. For a few years, he was; Soon-Shiong invested about \$1 billion, by his count, to build up the depleted organization. But he turned out to have his limits. Facing mounting losses, in June last year the *Times* dropped [74 people](#) from its newsroom. Last week’s even bigger blow was foreshadowed by managerial turmoil: Three top editors, including the executive editor Kevin Merida, resigned just before the news came down. “I won’t fault him for being unwilling to write checks,” Matt Pearce, a *Times* reporter who is head of the newspaper’s union, told me, referring to Soon-Shiong. But, he added, “we don’t seem to have a clear theory of the case as a business. We need to execute on a strategy. And we don’t have one.” (Soon-Shiong declined to comment for this article.)

The decline of the legacy news media has been playing out for decades, exacerbated most recently by the advent of the internet and the explosion of digital platforms, especially the ad-revenue-gobbling tech giants Google and Meta. Even when the ad-supported model of journalism still worked, the history of American media was punctuated by periods of dramatic

expansion and contraction, often coinciding with the arrival of new technologies. The latest round of cuts, however, represents a grim new milestone. *The Washington Post*, NBC News, ABC News, NPR, *Vice*, *Vox*, and *BuzzFeed*, among others, have shed hundreds of journalists over the past year. (Disclosure: I'm one of them. In December, I took a buyout from *The Washington Post*.) No corner of national media seems unaffected. Even Condé Nast's *The New Yorker* magazine, heretofore seemingly impervious, announced a numerically insignificant but symbolically freighted staff cut in December. All told, job losses among print-, digital-, and broadcast-news organizations grew by nearly 50 percent during 2023, [according to](#) the consulting firm Challenger, Gray & Christmas.

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What makes this so unnerving is the fact that the meltdown has come amid—and in seeming defiance of—a generally booming economy. The ranks of professional journalists keep declining even as overall unemployment stays low, incomes rise, and the stock market reaches new heights. What's more, a presidential-election cycle tends to produce a surge of readers, viewers, and advertisers as people pay closer attention to the news. Not this time, at least so far: Traffic to leading news sites and Nielsen

ratings of national cable news trended down throughout 2023.

It's the same old story, only worse. Since the 2020 presidential election, Facebook has [steadily reduced](#) the amount of news that users see in their feed, wiping out a major source of traffic and, as a result, ad revenue. Meanwhile, the 2024 cycle has yet to deliver the expected "Trump bump"—the surge of public interest and subscription revenue generated by fascination with, or alarm over, the previous president—and it may never come. To the contrary, some studies [suggest](#) that "news fatigue" has reduced audience demand for journalism in the post-pandemic era.

By far the greatest damage to the news ecosystem over the past 20 years has been at the local level. Nearly all of the 2,900 newspapers that have closed or merged since 2005 have been small weeklies, [according](#) to researchers at the Medill School of Journalism at Northwestern University. This has left broad swaths of the country lacking professional reporting of any kind. The death rate among daily papers has been less extreme, if only because many continue to exist in greatly diminished form. One example: Denver's two primary dailies, the *Rocky Mountain News* and *The Denver Post*, employed more than 600 journalists before the *Rocky* went under in 2009. Ever since, the *Post* has been peeled like

an onion by its owner, the [hedge fund Alden Global Capital](#). Today, its newsroom directory [lists](#) just 59 journalists, who are tasked with covering a region that is home to nearly 3 million people.

“As local journalism declines, government officials conduct themselves with less integrity, efficiency, and effectiveness and corporate malfeasance goes unchecked,” observed PEN America in a 2019 white [paper](#). “With the loss of local news, citizens are: less likely to vote, less politically informed, and less likely to run for office.” Not all citizens, though. A weakened local press corps is a gift to someone like George Santos, whose [serial fabrications](#) went mostly (if [not entirely](#)) unreported during his campaign for Congress.

The outlook for 2024 seems especially cloudy to Sewell Chan, the editor in chief of *The Texas Tribune*, a nonprofit publication that has been held up as a sustainable news-business model. Chan told me that the past year has been as gloomy for the news industry as 2008–09, the start of the Great Recession, when a number of titles went under. “I fear 2023–24 could be another extinction-level event,” he said.

Chan ticked off a handful of ominous trends: slow-growing ad budgets; inflation, which has stymied subscription growth; and a shortage of engineering and newsroom-tech talent that has

crimped innovation. Chan suspects that audiences are experiencing subscription overload—too many streaming services, Substack newsletters, and digital publications chasing not enough would-be customers. Then there's the decline in public trust in news media, a long-running phenomenon on the right that has recently become more bipartisan. An October Gallup [poll](#) showed a decline of 18 percent in media “trust” among Democrats and 13 percent among independents over the previous year. Chan also suggested that the media is turning off potential readers by being too relentlessly negative. “No doubt, accountability is at the core of our journalistic mission,” Chan said. “But if all we do is point out how bad politicians are, how our government is failing, and how our democracy is eroding, we're not exactly offering an appetizing menu.” In August, *The Texas Tribune*, which emphasizes breaking-news coverage and investigative journalism, had its first layoff since its founding in 2009.

Efforts to arrest the news media's decline have been ongoing for years. Philanthropic organizations such as the Knight Foundation and the Lenfest Institute for Journalism (which owns *The Philadelphia Inquirer*) have poured hundreds of millions of dollars into reporting initiatives, almost all aimed at local news. The biggest single commitment, \$500 million over five years, was unveiled in September by the

MacArthur Foundation, the mega-philanthropy that is leading a [coalition](#) of 20-odd charitable organizations to address what MacArthur's president, John Palfrey, has called "a threat to our democracy." (Specific grants have not yet been announced.)

[John Palfrey: A billion-dollar bet on local news](#)

Some have called for direct and muscular government intervention. Policy proposals include tax credits for publications that hire reporters and for advertisers that place ads in those publications, as well as increased government spending on public-service ads. A potentially more powerful mechanism: a law compelling Google and Facebook to compensate publishers for the news content the tech companies display on their platforms. Publishers around the world have lined up in support of a law enacted in Australia in 2021 known as the News Media Bargaining Code. The law creates a framework for publishers to negotiate payments from tech giants. Thus far in Australia, the law has [resulted](#) in more than \$140 million a year in payments, according to the former government official who implemented the bargaining code—a tiny fraction of the \$424 billion that Google's and Facebook's parent companies collected in revenues last year, but real money to Aussie media companies. The law's apparent success in supporting journalism has spurred similar

[proposals](#) in Canada, the United Kingdom, New Zealand, Indonesia, Brazil, Switzerland, and South Africa. California [might pass](#) a state-level bargaining code this year. In 2023, Democratic Senator Amy Klobuchar and Republican Senator John Kennedy [introduced](#) a federal version. The tech giants themselves, unsurprisingly, have balked; Facebook has [blocked news](#) in Canada rather than paying publishers there.

Still, even the threat of bargaining codes can nudge tech companies into negotiations that lead to meaningful payments to publishers, according to Anya Schiffrin, who has studied global media incentives as the director of the technology, media, and communications program at Columbia University's School of International and Public Affairs. "I'm a huge believer in bargaining codes," she told me. But, she predicted, the Klobuchar-Kennedy bill, despite its long list of bipartisan co-sponsors, is unlikely to become law anytime soon. "The Senate seems to have other things to do," she said.

Among those who wish Congress would act is Soon-Shiong, who [responded](#) to criticism from Democratic lawmakers by urging them to pass a law to support news organizations. "I'd like to put the question to them," he wrote, according to the *Times'* own coverage. "What can they do to help preserve a free and robust press, one

that is instrumental in upholding our democracy?”

It’s a fair question. The news industry has been in steady decline for two decades. Expecting some kind of free-market-based turnaround is lunacy. If journalism is essential for preserving democratic self-government, perhaps only democratic self-government can preserve journalism.

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