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What's the future of the news business? This report to Carnegie Corporation of New York offers some provocative ideas.

ning the News

by MERRILL BROWN

There's a dramatic revolution taking place in the news business today and it isn't about TV anchor changes, scandals at storied newspapers or embedded reporters. The future course of the news, including the basic assumptions about how we consume news and information and make decisions in a democratic society are being altered by technology-savvy young people no longer wedded to traditional news outlets or even accessing news in traditional ways.

In short, the future of the U.S. news industry is seriously threatened by the seemingly irrevocable move by young people away from traditional sources of news.

Through Internet portal sites, handheld devices, blogs and instant messaging, we are accessing and processing information in ways that challenge the historic function of the news business and raise fundamental questions about the future of the news field. Meanwhile, new forms of newsgathering and distribution, grassroots or citizen journalism and blogging sites are changing the very nature of who produces news. With these elemental shifts in mind, Carnegie Corporation of New York has launched a major initiative on the future of news and commissioned this report, based on a survey of 18-to-34-year-olds carried out by Frank N. Magid Associates in May 2004. (A set of PowerPoint slides comprising a distillation of the survey data is available on the Corporation's web site, www.carnegie.org.) The goal of this effort is to assess where 18-to-34-year-olds get their news today and how they think they'll access news in the future.

For news professionals coming out of the traditions of conventional national and local journalism, fields long influenced by national news organizations and dominant local broadcasting and print media, the revolution in how individuals relate to the news is often viewed as threatening. For digital media professionals, members of the blogging community and other participants in the new media wave, these trends are, conversely, considered liberating and indications that an "old media" oligopoly is being supplemented, if not necessarily replaced, by new forms of journalism created by freelancers and interested members of the public without conventional training.

The Internet Migration

At the heart of the assessment of the news-related habits of adults age 18-to-34 are fundamental changes driven by technology and market forces. Data indicate that this segment of the population intends to continue to increase their use of the Internet as a primary news source in the coming years and that it is a medium embraced in meaningful ways. Newspapers and national television broadcast news fare poorly with this critical demographic group.

Surprisingly to some, among 18-to-34-year-olds, local TV is ranked as the most used source of news, with over 70

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percent of the age group using it at least once a week and over half of those surveyed using local TV news at least three times a week. The local TV ranking is driven in an overall sense by women and low- and middle-income groups. Meanwhile, the second-most-used weekly news source, the Internet, is number one among men, high-income groups, and broadband users.

With over half of Internet users now connecting via high-speed broadband services, daily use of the Internet among all groups is likely to climb, because broadband access, the way an increasing number of households go online, makes daily usage more likely. Already, Internet portals—widely used, general interest web sites such as Yahoo.com and MSN.com that include news streams all day, every day—have emerged in the survey as the most frequently cited *daily* news source, with 44 percent of the group using portals at least once a day for news. Measured by daily use, local TV comes in second at 37 percent, followed by network or cable TV web sites at 19 percent, newspapers at 19 percent, cable networks at 18 percent and national broadcast networks at 16 percent.

And by other measures, the Internet is already clearly ahead of other media among the young. According to the Magid survey, young news consumers say that the Internet, by a 41-to-15 percent margin over second ranked local TV, is "the most useful way to learn." And 49 percent say the Internet provides news "only when I want it" (a critical factor to this age group) versus 15 percent for second-ranked local TV. This audience, the future news consumers and leaders of a complex, modern society, are abandoning the news as we've known it, and it's increasingly clear that a great number of them will never return to daily newspapers and the national broadcast news programs.

Other notable findings revealed by the survey: although ranked as the third most important news source, newspapers have no clear strengths and are the least preferred choice for local, national and international news. On the TV front, cable news is the fourth most valuable news source just ahead of national network programs. Those broadcast newscasts are, however, considered the number-one source for national news. Cable is considered up-to-date and accessible, but not as informative as the Internet.

A Revolution In News And In Public Discourse

The dramatic shift in how young people access the news raises a question about how democracy and the flow of information will interact in the years ahead. Not only is a large segment of the population moving away from traditional news institutions, but there has also been an explosion of alternative news sources. Some have been assembled by traditional news organizations delivering information in print, on television and on the radio as well as via the Internet and mobile devices. Others include the thousands of blogs created by journalists, activists and citizens at large.

Clearly, young people don't want to rely on the morning paper on their doorstep or the dinnertime newscast for up-to-date information; in fact, they—as well as others—want their news on demand, when it works for them. And, say many experts, in this new world of journalism, young people want a personal level of engagement and want those presenting the news to them to be transparent in their assumptions, biases and history.

Through Internet and instant information in ways function of the **questions**

While it is premature to definitively judge the impact of this revolution on public affairs, political discourse or on journalism itself, the writing is on the wall: the course of how the news will be delivered in the future has already been altered and more changes are undoubtedly on the way. How can we expect anything else, when the average age of a print newspaper reader is 53 and the

THE IMAGE BANK/PETER CADE

average age of both broadcast and cable news viewers is about the same? Baby boomers read newspapers one-third less than their parents and the Gen Xers read newspapers another one-third less than the Boomers.

Whether the industry is reacting fast enough to these dramatic changes is another question altogether. "By and large, the major news companies are still turning a blind eye to what is happening because it's challenging and they need to consider radical change," says researcher Rusty Coats, Director of New Media at Minnesota Opinion Research, Inc. (MORI). "[Change is] way too incremental at this point," he continues. "Major newspaper companies are embracing the Internet but are still using it as a supplement or as a means to sell print subscriptions and not seeing its unique value." Coats points out that there's a "big buzz" within the newspaper industry about developing "loyalty programs," marketing efforts designed to deepen the customer's commitment to a given product. So a subscriber to the *Chicago Tribune*, for example, might receive airline discounts as part of a program. "I'm all for rewarding valuable customers but I wish there was more thought devoted to developing new products. Does a newspaper publishing a youth-oriented web site once a month or once a week really think this will cause fundamental change? The real issue is how are we going to [compete with] Yahoo?" In that regard, Coats suggests that maybe big papers "need to own cellular services" or other large distribution vehicles to reach new audiences. What is needed, Coats and others argue, is a substantial commitment to new product development, investments that news companies—even in their triumphant days of dominance and vast profitability—were reluctant to make.

But these issues can no longer be swept aside by the news oligopolies that have dominated the latter part of the 20th century, as news executives and researchers generally agree. Indeed, those who gather, report and administer the delivery of news are increasingly focusing on the reality that technology, the enormous variety of media choices, demographics and to a certain extent, the struggles of traditional news organizations and the journalism community to adjust to change, have left mass audience, mass media newsgathering and dissemination in peril. And that's unlikely to change. As Lewis Dvorkin, AOL's top editorial executive and a long-time news executive warns, "I don't think that with the lifestyles of people today, the demands on people's time, today's family life and the extended hours of work, people will come back to the old ways of consuming the news."

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Until recently, however, managers in the newspaper industry, for example, generally avoided confronting the decades of data about declining use of newspapers among the younger members of society. Instead, they took what is turning out to be false comfort in historic data that generally affirmed the view that older citizens always wind up with the familiar local newspaper because of their interest in world affairs, their pocketbooks, concern with local schools and the issues of modern life. But there's no denying that the numbers are changing. The deterioration of the newspaper marketplace has been steady among young people and would appear to be accelerating. From 1972 to 1998, the percentage of people age 30-to-39 who read a paper every day dropped from 73 to 30 percent. And in just the years between 1997 and 2000, the percentage of 18-to-24-year-olds who say they read yesterday's newspaper dropped by 14 percent, according to the Newspaper Association of America. The only conclusion to be reached after noting these trends is that no future generation of new consumers will fit earlier profiles since their expectations and their habits have changed forever—and technology is a big part of the reason why.

"Young people are more curious than ever but define news on their own terms," says Jeff Jarvis, who is president of Advance.net, a unit of Advance Publications, and who publishes a widely read blog, Buzzmachine.com. "They get news where they want it, when they want it. Media is about control now. We used to wait for the news to come to us. Now news waits for us to come to it. That's their expectation. We get news on cable and on the Internet any time, any place."

What this means is that American journalism institutions face risks of extraordinary magnitude. To be sure, the news industry is an evolving business, but even within that context, recent changes in the news business must be viewed as a wake-up call for all involved. Consider the fact that broadcast television's evening news programs, for example, are no longer the family hearth that brings people throughout the country together at meal time. Or that television networks, which used to employ dozens of high-profile correspondents around the world, now deploy just a few. (Certainly, in the years leading up to September 11, 2001, international reporting on television was in rapid decline, often almost invisible on national television.) Afternoon newspapers have disappeared from American life and cities that for decades had multiple newspaper choices now often have but one. *The New York Times, USA Today* and *The Wall Street Journal* are available on street corners throughout the country. The daily audiences of national news web sites dwarf those of their print counterparts.

Even the accepted, historic premise of how a free press and the skills of journalism bind together democratic institutions similarly merits a certain reassessment and reality check. There is little evidence that today's politicians accept the notion that it's mandatory to connect to the population via a "national press corps," often choosing to go around the press and communicate through their own Internet sites, through friendly talk shows and blog forums.

A Time For Radical Thinking

In a world where national leaders are turning away from the news media, citizens have an increasing lack of confidence in the press and young people are moving perhaps permanently away from traditional newsgathering organizations, a radical rethinking of how news is delivered seems necessary—even overdue. Press watchers and public figures have varying, though often critical views on the performance of the national press, and many critics claim that new forms of citizen or Internet media can help fix general media inadequacies and gaping holes in coverage of important issues. Nevertheless, many feel that the country still needs strengthened newsgathering capabilities to help Americans develop a true understanding of an increasingly complex world, and argue that only strong, national media organizations cover wars, elections, news from around the world and in metropolitan communities in ways that help inform large numbers of citizens.

Efforts to stave off what seem like catastrophic times ahead for the news business and its deteriorating relationship with young news consumers are already underway. Some examples:

■ Mainstream news services, after the traditional news industry's usual angst about new products and threats to core values, have begun to embrace weblogs (or blogs), the interactive, constantly updated web pages now so widespread online. Acceptance of blogging went so far this year that NBC News actually hired bloggers to comment during election night coverage.

■ An increasing number of younger anchors and reporters, some with web backgrounds, are showing up on television news programs. CNN 's Anderson Cooper is positioned for the younger audience, ABC News correspondent Jake Tapper is a former Salon.com writer, and Slate.com contributes regularly to National Public Radio.

■ The distribution challenge only gets more complex with time, but new means for reaching new audiences continue to develop. For instance, through MobiTV, a product available from Sprint and other cellular carriers, subscribers can now watch programs from NBC News and MSNBC cable on their cell phones. Throughout Europe, giant cellular carrier Vodaphone is now offering Vodaphone live!, providing video from television services ITN in the United Kingdom, N24 in Germany, Rai News in Italy and El Mundo in Spain.

Despite these innovations, some experts still warn that the news business—and with it, perhaps, the nation itself—faces a troubled future. As David Mindich, author of *Tuned Out: Why Americans Under 40 Don't Follow the News* (Oxford University Press, 2004) concluded in a recent interview on an industry web site that today's young citizens "are still just as thoughtful, intelligent—and I would argue, literate—as ever before. What has changed is that young people no longer see a need to keep up with the news."

News Source Best Described by Image

Among 18-34-year-olds, the Internet among top performers on many images; Newspapers not considered strong on any image

	Local TV News	National Net. News	Cable TV News	Internet	Newspapers
Trustworthy	21%	19%	21%	10%	9%
Up-to-date	19%	13%	24%	29%	4%
Offers "news I can use"	37%	11%	10%	20%	9%
Useful way to learn	15%	11%	14%	41%	8%
Entertaining	23%	12%	18%	20%	4%
Provides news only when I want it	12%	6%	9%	49%	9%

Source: Magid Associates for Carnegie Corporation of New York

Says Mindich in his recent book: "America is facing the greatest exodus of informed citizenship in its history."

The Challenge: Retaining Audiences While Building New Ones

At its essence, the conclusions of the Magid survey support much of what many researchers and careful students of the media have been saying and raises a set of dramatic red flags about news-gathering in the 21st century. One such scholar, Betsy Frank, Executive Vice President, Research and Planning, Viacom's Cable Networks, Film and Publishing, is a preeminent researcher and thinker about young people and media use and calls them "media actives." The media revolution, she says, "affects so many aspects of their lives and news just happens to be one of them. Nothing we see in their comfort with technology will go away as they get older. They have no loyalty to media institutions like their parents did."

Similarly, CBS News President Andrew Heyward says that young people are "information impressionists. News is gathered by the impressions they receive from many sources around them." How news executives today deal with the ways news is consumed, in the form of an image here, an instant message there, a cell phone text message headline, a web portal story or a newspaper shoved into a passing hand while racing to the bus, will say a great deal about the future of news as we know it.

For Heyward and other media executives interviewed for this report, the challenge is real. Whether it is thinking about the recrafting of the CBS Evening News in the post-Dan Rather-era or how to distribute CBS news content on new and evolving platforms Heyward, for example, says he's constantly thinking about ways to engage younger viewers. "We are going to have to be accessible without just being bite-sized," he says. "We are way behind in translating the strengths of television to the new media. We are nowhere on storytelling for the new media and for these younger audiences. We have to figure out how to use the new technologies in ways that address our strengths—immediacy and personality. There is a broader, new definition of news that we will need to develop for this next generation."

History suggests that news products tailored to meet the emerging needs of different times and different generations is not a far-fetched idea. Business coverage, for example, an afterthought in many newspapers until the 1980s and 90s, now gets vastly more attention from most news organizations than in previous eras. But perhaps an even more pressing concern, beyond simply beefing up coverage in one category or another or adding younger faces to a network newscast, is whether approaches to stories and prevailing traditions can really change. Can storytelling evolve to add more interactivity, citizen participation, inclusion of younger newsmakers and the use of music, innovative pacing and more engaging graphic and presentation elements? These changes—which represent many once widely observed taboos against embellishing straight news in any way—are at the core of what many in the business wrestle with today.

Progress toward those new definitions of news and public affairs may have been accelerated by the unpredictability and unexpected developments that were the media and new technology story underpinning last November's general election. The 2004 campaign provided any number of examples—both anecdotal and from the research already available—about the impact of the revolution at hand and how it engaged young news consumers. Former Vermont Governor Howard Dean built his campaign on connecting young Internet-savvy activists and both the ultimate Democratic nominee, Senator John Kerry, and the Republican victor, President George W. Bush, used the Internet as a critical part of their public relations and fundraising efforts, strategies directed largely at young people. Campaign commentary and coverage from bloggers moved from being perceived as idiosyncratic and away from the mainstream to being a critical part of the debate about the CBS News reporting on President Bush's military record and ultimately, the blogging phenomenon reached the level of attention that comes with a cover story in *The New York Times Magazine*. From a more concrete point of view:

- The Pew Internet and American Life Project determined that among 18-to-34-year-olds with high-speed Internet access, 40 percent said the Internet was their main campaign news source, twice the percentage that cited newspapers. The Pew Center also reported that 21 percent of all Americans identified the Internet as their main campaign news source, twice the percentage as in the 2000 election.
- A study of 18-to-29-year-olds carried out as part of "Declare Yourself," a national nonpartisan effort to register voters for last year's election, reported that 25 percent of young voters named the Internet as the first or second most important source for news compared to just 15 percent for newspapers. In that same study, Jon Stewart, host of *The Daily Show* on the Comedy Central network was identified as the most trusted of the TV anchors among the group that chose the Internet as their top news source, while among the entire group, Stewart tied with then-NBC anchor Tom Brokaw and came in ahead of ABC's Peter Jennings and former CBS anchor

Dan Rather when asked about who they "trust the most" to provide "information about politics and politicians."

It is widely believed that this election year data represents, in some ways, a sea change in both consumption patterns and in how news is consumed. Those Jon Stewart viewers or consumers of popular blogs like Talking Points Memo (talkingpointsmemo.com) on the left side of the political spectrum and Power Line (www.powerlineblog.com) on the right have, it would seem, changed the way they approach and view the news. Active consumers are unlikely any longer to rely on single sources for coverage of issues that matter to them. And they'll never be consuming news without clear chunks of opinion as part of the mix.

Few news executives are active, widely read bloggers. But for the one who can make that claim, journalist and blogger Jeff Jarvis, the election-year attention on Jon Stewart, the blogging phenomena and the surging growth of Internet use for both business and personal activities points out that attitude and voice matter more to today's young news consumers than earlier notions of journalistic objectivity and fact gathering. And Jarvis observes that today's young people want to understand—on an entirely different level from previous generations—the politics and attitudes of those who write and deliver the news.

That kind of transparency is what pundits like Jarvis are often most passionate about and indicates why, as perceived from the right and the left, Fox News Channel, Jon Stewart and bloggers have a lot in common. All three both dish and dig and combine opinion and fact gathering in ways that have caught on with significant numbers of consumers. Opinionated reporting, seen most clearly from bloggers, raised questions about the documents in the Dan Rather-George Bush scandal about use of unverified documents in CBS News reporting about President Bush's military record, and had stunning impact. Jon Stewart, meanwhile, hosts politicians of all persuasions while at the same time calling his program "phony news." Jarvis says that rather than be alarmed about Stewart's popularity and credibility as a "news source," news professionals ought to view Stewart's ascent as "as an endorsement of a new honesty in the news, of the importance of bringing news down off its pedestal and presenting it at eye-level." He adds: "I think we [are seeing] a phenomenon in news that cuts across age groups but includes young people: we are coming to prefer our news with opinion, or at least an admission of opinion."

What's more, Jarvis and others talk a great deal about giving audiences and especially young people a level of control about when they access news or choose to participate in public affairs. For the Internet world of the Howard Dean campaign with its reliance on online "meetings," web-based communications and fundraising and the blog world, in which anybody with a keyboard is a publisher in a new community referred to as the "blogosphere," everybody who wants to be involved not only can be, but can also make choices about when and at what level to become or stay involved. It's as easy, now, as turning on a computer.

New Products For A Different Consumer

In a growing number of urban areas, if you've gotten off a train or bus lately, it's likely you've been offered a free newspaper—or at least, a new version of a newspaper. Around 50 newspapers (and Luxembourg-based Metro International with editions in Boston, New York, and Philadelphia) have launched pared-down versions of their product, generally for free distribution at commuter locations. The goal: introduce busy young professionals and others to publications that highlight headlines, weather, sports scores and news you can use on the run. It's an Internet-inspired phenomenon, in part, because it serves a similar purpose: providing quick snapshots of what's happening in the world of culture, news and entertainment, and placing it directly in the hands of consumers.

> The development of free papers represents single media industry response yet to the What's less clear is what **"newspaper-lite"** products

Says Chris Ma, publisher of *The Washington Post's* giveaway paper, *Express*, "We're reaching commuters who are infrequent or non-newspaper readers and building an advertising business at the same time." About 175,000 copies of *Express* are given away daily. In Miami, Knight Ridder's *Miami Herald* now publishes *Street Weekly*, or *Street* for short, which it

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the **largest** readership collapse. these mean for journalism.

cheerfully refers to as an "alternative arts and entertainment free publication." *Street* has a free circulation of 70,000 throughout the Miami-Dade region and promotes itself as "Edgy, colorful and irreverent."

The development of these free papers represents the largest single media industry response yet to the readership collapse. What's less clear, though, is what the production of these "newspaper-lite" products means for journalism. Will these papers merely summarize the work of the parent publication or create their own voice and journalistic traditions? Will they make original reporting obsolete by a concentration on summaries, wire stories, graphics, stock data, sports scores and weather?

At the parent companies of these papers and at the large news organizations, talented producers and editors are wrestling with these same issues but often approaching them from a different direction, working on methods of bringing in younger audiences without disturbing powerful news products which, in most cases, continue to enrich their owners with consequential profit margins. Media executives like Sandra Rowe, editor of The Oregonian and a former chair of the American Society of Newspaper Editors, have their hands full trying to evolve their publications with the profitability paradigm as the vexing, short-term conundrum.

Rowe thinks there are many things her paper can do and is doing in terms of story selection, story telling, packaging and creative use of the Internet to engage young people, but wishes the resources were available to do more, especially to develop new products. "I look at this age group as really smart young adults," she says. "They don't have any patience for us wasting time and approaching things in predictable ways. So part of what newspapers can do is tell them something they don't know about something interesting." Just covering City Hall isn't enough, she says. "What they're looking for is a closer lens…[In order to be that for them] we have to be plugged in at City Hall so we can tell them how money is used and how they are affected. With this crowd, newspapers and magazines have to be visually strong and focused on what the story is—a story with a beginning, middle and end. If papers could do that, we could satisfy that age group." She also believes that editors who look at newspaper beats as independent sources of newsroom information are missing the boat, particularly when it comes to assessing the interests of younger readers. "Arts, business, commerce and education…these areas are no longer discrete and what's most interesting are the places where they intersect."

Though frustrated at the industry's slow pace, Rowe sees a day ahead when newspaper editors will have more products and ways to leverage their expertise. In this model, she says, her paper would be reaching different sensibilities with, for example, an alternative weekly, community papers, the leading regional portal and a network of sites. By managing multiple products and building a stronger economic base, Rowe thinks that such an organization would have the resources to put "the interest back in public interest reporting. If you can be the primary information source in the community," she adds, "and do so because it's your responsibility, the commercial argument would work and would be designed to support that."

The view that the traditional news organization, whether it's a daily newspaper or television network news operation, is effectively a "mother ship" feeding material to multiple products on multiple platforms isn't necessarily a brand-new one. But the scale of what Rowe is proposing is a start at rethinking fading traditions.

That's why it's already an overwhelmingly challenging time in the worlds of cable television and broadcast news, as well as in print media. Young people are moving away not just from television news to the Internet, but also away from television in general, a fact that makes it difficult for TV marketing organizations to even reach the next generation of news consumers since many have already abandoned TV for their computers. Still, enterprising television executives do have a variety of new tools and distribution mechanisms at their disposal. Within the new NBC Universal family, for example, there's an abundance of opportunities with CNBC, MSNBC, USA Network, the Sci Fi Channel and Bravo. Meanwhile, CBS News management is focused on CBSnews.com, and the assets of Viacom, the parent of CBS. Viacom owns Nickelodeon, Black Entertainment Television, MTV, and mtvU, formerly the College Television Network. On mtvU.com, today you can find CBS News headlines.

Like his competitors at ABC, CBS News President Andrew Heyward says he is committed to developing products for the broadband marketplace, a means to find potential television news consumers at their desktops at home or at work. Some news organizations have already made a promising start. Last summer, ABC News launched ABC News Now, a subscription-based news network designed to capture the desktop audience at work, at school or on the move. It will be available on broadband services, digital cable and wireless services. Nothing like it has ever been tried before in the U.S. and it clearly fills a void in the ABC News distribution plan.

Success in these areas is critical for the networks. "We would like to attract younger viewers," says Bill Wheatley, Vice President, News at NBC News. "We know advertisers will pay us more to reach them and NBC has long been accepted as a network with appeal to younger people. But in news, the challenge is great. The trick is that we are a mass medium and if we target young people too regularly and too narrowly, we will lose other parts of the audience. We may, though, come to a point where we will have to create programs just for younger viewers."

That is very likely what it's going to take to change current trends for mainstream news organizations. They are going to have to program for the demographic if they are to retain consequential news franchises. For CBS News, that means using those networks in their corporate family. For others with less obvious ways to reach younger viewers, an investment strategy will be required. And at some point along the way, game-changing strategies, what Rusty Coats would call "radical" or business strategists term "disruptive" tactics, are required. (Disruptive meaning along the lines of a model that has technology and telecommunications companies merging or aligning with news companies.) As Ted Turner changed the game at a much different moment in time with the invention of CNN, and as Apple changed another game by providing accessible music downloads, dramatic moves—accompanied by the simultaneous but deft, prudent tinkering of skilled print editors, television producers and digital media journalists and technologists—are unquestionably required.

Summing Up: The Message Is Clear

What the survey data commissioned by the Corporation—as well as the message that's coming in loud and clear from bloggers and their readers—are telling us is that there are new forms of participatory or citizen journalism that can engage those who had been outside today's news environments. Last spring, *The Bakersfield Californian* launched *The Northwest Voice* (http://www.northwestvoice.com), a community weekly paper and Internet site. Most of the content is produced by members of the community and submitted via the Internet. Similarly, The Command Post (http://www.command-post.org/) is a site created by a worldwide network of bloggers set up to cover stories and package links to other sites that add documentation. Many news executives cringe at the idea of such projects. But these are bold concepts and their premise—that news can actually be generated by readers—may be precisely what many young, dissatisfied news consumers will respond to. Similarly, news organizations need to connect to consumers through e-mail and instant messaging services, need to join the virtual online conversations that are a central place where news is discussed and need to not only embrace these approaches but also use new technologies in order to reach out to younger audiences.

It is also apparent that news has to be produced specifically for and directed to the audiences of the future, and reach them in the ways they want. In developing news products for this audience, what's required is to understand that yesterday's news is literally that and recognize that daily news delivery mechanisms, ranging from television newscasts to magazine shows to newspapers and their giveaway stepchildren, need an approach to the news focused on techniques that go far beyond who said what yesterday or the day before. New products could be built around information services designed for the Internet, or for cellular and multimedia delivery. These could include, for example, innovative, even risky programming models deliv-

ered over broadband with unique voices and tied into related blogs on specific topics, ranging from national security to local restaurants.

News executives need to quickly mobilize around what are today their secondary platforms, at least measured in terms of where, currently, their largest revenue opportunities exist. In other words, even if the daily newspaper industry's advertising revenue dwarfs its Internet business, the future of the American newspaper will be defined online from both a future readership point of view and perhaps in terms of future revenue streams as well. It is time for print industry investments in Internet products to match the online audience size and the extraordinary magnitude of the migration to digital news delivery.

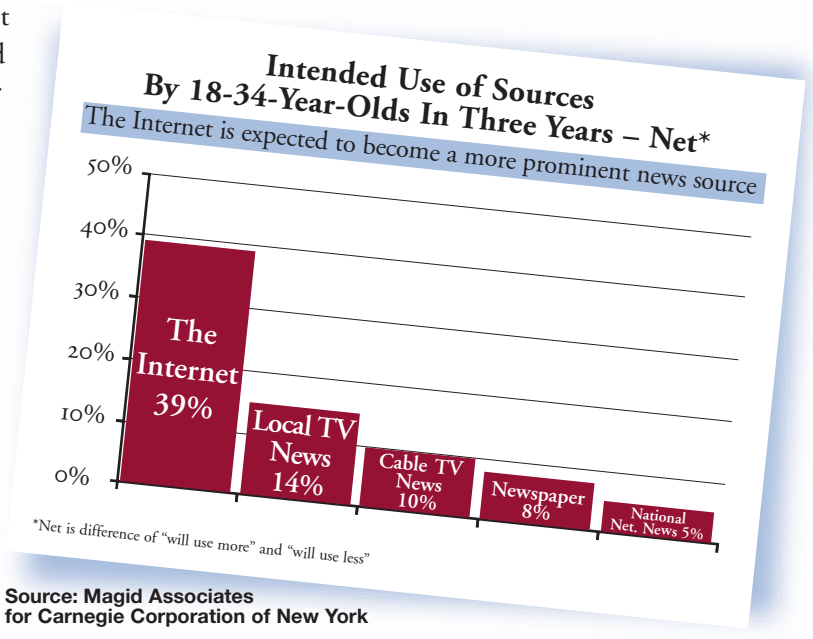
While making investments is imperative, the news industry needs to do so while simultaneously inventing new, creative business approaches. Few news organizations think methodically and creatively about product development, and resources allocated to studying and inventing new news products are generally miniscule. Even at universities and think tanks, research on these critical topics is limited. Nevertheless, the time has come to forge new liaisons between the disparate worlds of research, education and news organizations in order to maximize intellectual capability and limited resources.

Meanwhile, the news industry should recognize the importance of what's going on in places like Bakersfield and work hand-in-hand with bloggers and other independent journalists and citizens to experiment with the formation of new alliances and the development of new products. With safeguards, and appropriate standards as an early requirement, news organizations large and small should bring the public—including their local community—into their news gathering and news delivery planning processes in ways that were probably unimaginable just a few years ago. From the simple touches, like making every news professional's e-mail address available, to the more complex, such as engaging with news sources and the citizenry at large in meaningful dialogue, there are clearly methods for providing the accessibility younger audiences are likely to embrace. In other words, news executives need to think about their products as participatory community institutions, not merely as distributors of their own creative output, and open themselves to input, feedback, ideas and journalism from outside their own organizations. In addition, news organizations must recognize the value of the one piece of technology that's in virtually every hand around the world—the cell phone—so that the mobile revolution is, in fact, part of a news revolution.

Ironically, some large news organizations don't even adequately leverage the know-how and expertise within their own companies. There are hundreds of very capable, technologically savvy Internet executives within large news organizations whose views about the future and whose ideas for new products and initiatives are dismissed or ignored altogether. Every major broadcast and cable news organization exists today within a corporate family that includes Hollywood studios, institutions where new technologies, new distribution channels, new production techniques and new storytelling techniques are developed. They talk infrequently and awkwardly.

Without this kind of dramatic rethinking, without a new openness to new approaches, the news industry is in peril. Certainly, the newspaper revenue model based in large part on classified and job advertising will never be the same, with so much revenue disappearing to the Internet. One recent study said the popular, free Internet site, craigslist (www.craigslist.com), had cost San Francisco Bay Area newspapers $50-$65 million in job listing revenue alone.

While the outright collapse of large news organizations is hardly imminent, as the new century progresses, it's hard to escape the fact that their franchises have eroded and their futures are far from certain. A turnaround is certainly possible, but only for those news organizations willing to invest time, thought and resources into engaging their audiences, especially younger consumers. The trend lines are clear. So is the importance of a dynamic news business to our civic life, to our educational future, and to our democracy. ■



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