

# **The Business of News**

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## **Abstract**

This paper investigates the problems facing journalism today. While much of the industry has suffered financially, the most distressing problem is with the effects of the increasing competition of the industry. Through statistics gathered by organizations devoted to helping journalism, it is clear that the most successful news outlets are the ones that suffer the most journalistically. Through the findings of these organizations, financial statistics, and articles by fellow journalists, it was clear that the business of news is hurting journalism's credibility. It showed that in order to make money, the industry uses TV personalities to entertain rather than news anchors to inform. The results also indicated that since Fox News is the fastest growing channel, the problems facing journalism today will only continue on into tomorrow.

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## **Chapter I: Introduction**

As long as there has been civilization, there has been news. News is supposed to be objective, so that we can form our own opinions based on facts. Allowing the public to make their own opinions creates a more intelligent society. However, news is not always held up against these strict standards. The problem with the news is that it is a business. For centuries, people have been making millions on “informing” the population. This allows for entertainment news, subjective news, and pundit opinion as news. These may be entertaining, but they are not news. Even though driven by American capitalism, the news industry should restrict itself and adhere to its true journalistic ideals. If they keep providing news that is limited and subjective, in order to boost profits, people will lose the ability to form their own opinions. Through an examination of the history of journalism, articles on the subject and analysis of the news market today, this paper will show that the business of news is hurting the credibility of news by encouraging entertainment over information.

## Chapter II: The History of the News

### Beginning

The birth of the news starts with curiosity. The world fascinates people, and people want to know as much as they can. Early humans shared stories by word of mouth, but they kept the story as accurate as possible. Although there was gossip, people did not respect liars, so people were very good observers rather than entertainers. The knowledge was more important than the entertainment value. Problems only occurred when distance was too great. There was no way to accurately relay the information through word of mouth only (Hastings 2003).

Messengers would be sent to bring word to other places, "criers" would proclaim that word, and "busybodies" would spread the word. The reason for news was the need for knowledge rather than entertainment. People would gather at crossroads, campfires, and market places to spread the word (Stephens 2003). These preliterate people were very well informed because they sought out information. They had a drive to know everything. An early example of modern news was when Julius Caesar had handwritten news sheets posted in Rome everyday. However, after the empire fell, so did this method of posting news (Hastings 2003; Stephens 2006). Even though much of the news in the world at this time was very objective, people still saw the money to be made in the business. Stories about sex and violence were widely popular. The Nootka of Vancouver Island would exchange important news on fishing, the chief, or war, but tales of affairs were head turners. The story about the suitor who stumbled into a barrel of rainwater after sneaking out of his lover's bedroom was very popular. People entertained others with stories, but these stories were not "news" (Stephens 2006). People could distinguish

between a story and a piece of news.

The development of organized news went hand in hand with technological advances. It could not be a profitable business until you could mass produce the product. The answer arrived when Johann Gutenberg invented the printing press in 1448 and the development of printing using movable type in 1456 (Hastings 2003). Even though books were printed shortly after the invention of the printing press, people didn't print newspapers until the 17th century. Other forms of written news included ballads, which accounted the day's events and letters. Mercurius Gallobelgicus was the world's first periodical, issued semiannually at book fairs, beginning in 1592. The Oxford Gazette was the first regularly published newspaper, which began in 1665, following "The Continuation of Our Weekly News", which was not as successful. The first daily newspaper was the Daily Courant, which came out in 1702, and the editor was the first woman in journalism (Hastings 2003). Printing was regulated by the Press Restriction Act, which required that the printer's name and place of publication be included on each printed document. It was not the most popular way of becoming a wealthy man in those days (Hastings 2003).

### **Birth of American Journalism**

The regulations in England were also implemented in the American colonies, but printing still became more popular than in the colonies. The first printer was Stephen Day at Cambridge, Massachusetts, in 1638. However, the 1662 law forbidding printing without a license suppressed a lot of colonial journalists. The British suppressed Benjamin Harris' "Publick Occurences both Foreign and Domestick" after only one issue in 1690, not only because it wasn't licensed, but also because of its mistreatment of the French (Hastings 2003). It ran a story where the King of France had an affair with his son's wife,

which was never proven. A second newspaper, the "Boston News-Letter", appeared in 1704, but the British didn't suppress this one. It didn't matter because the paper was of very poor quality, so the British didn't pay any attention to it. The paper lasted for 18 years, though, with modest popularity among colonists (Hastings 2003). Newspaper publishing expanded beyond the New England area when Andrew Bradford published "American Weekly Mercury", which began 1719 and lasted for about 27 years. Even though journalism in colonial America was pretty popular, original material was had to come by (Hastings 2003).

The content of early colonial American newspapers consisted of primarily items taken from outside sources. To be a newspaper printer meant you had to be a good reader. You would want to read as many English, French, Spanish, and any other foreign newspapers, so that you had more information. American newspapers were, also, less formal, using less design and style and emphasizing content rather than appearance. Even though the content was not always original, it was very informative and these early newspapers sparked the colonist's interest in news gathering. Even two of America's most influential journalists, James Gordon Bennet Sr. and Joseph Pulitzer, were immigrants. The world influenced American news in colonial days (Stephens 2006).

#### The Pulitzer Prize

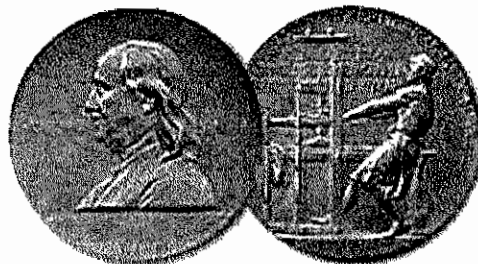


Figure 2.1 The Pulitzer Prize is awarded annually for excellence in journalism (Wikipedia, 2006).

The first real colonial newspaper was James Franklin's "New England Courant", which began in 1721, but it was not Franklin's priority (Wikipedia 2006). Like most journalists in those days, his paper was a sideline from his printing practices. However, the paper was not free from bias. Being aligned with party interests, the paper was very anti-ruling class and was in favor of the working colonist. The paper was famous for its first publications of Ben Franklin as Silence Dogood in 1722. However, the paper ended in 1726. Ben, James' younger brother, and famed "Silence Dogood", published the "Pennsylvania Gazette" in 1729. Ben Franklin's contribution to American journalism was widespread, including starting dozens of printing companies in colonial cities. By 1750, there were 14 weekly papers in the 6 largest colonies. Some were even popular enough to have 3 publications per week. Colonists finally had their own news, and it became very important during the Revolution (Wikipedia 2006).

### **The American Revolution**

Before the Revolution, most of the larger communities in the colonies had at least one newspaper, which meant a total of about 89 papers in 35 cities during the 1770's. Many of the papers were very anti-royalist, in response to the Stamp Act. The opposition created through the press caused public disapproval, which eventually led to the repeal of the act. The act had indirectly tried to stop the presses, but it failed (Hastings 2003). The press had not had the power to motivate the people until the American example. This is why freedom of the press is such an important American ideal. It embodies the spirit of democracy. After this, newspapers were the most popular thing. Everyone needed information, especially on the eve of war (Wikipedia 2006).

Isaiah Thomas' "Massachusetts Spy" was constantly on verge of being suppressed

because it was full of radical ideas. When other papers started printing the "Spy" in their papers, people became more open to the radical idea of separating completely from England. Up until the war, colonists still wanted to remain English, but journalists such as Isaiah Thomas opened their eyes. This set the stage for Thomas Paine's pamphlet, "Common Sense". Paine told the colonists that it was stupid to fight Britain and after, remain British (Paine 1776). It finally woke up the colonists. Colonists were very influenced by the papers and were ready to fight for their independence (Wikipedia 2006).

Before the war, there were 37 newspaper cities. People knew what was going on because there was so much information, but some of the information was actually poor news (Wikipedia 2006). If journalists are supposed to be objective recorders, Samuel Adams' group of extreme patriots called the Sons of Liberty were by no means, journalists. This was a militant group whose articles were more propaganda than anything else. However, it really got people's attention, and Adams is known as one of the most patriotic Americans in history. This showed that persuasion and favorable bias are important tools in gaining support. However, in the eyes of many journalists and respected men, these Sons of Liberty were as bad as the British. During the war many newspapers stopped publication, but at the end of the war there were more papers than at the beginning. The Salem Gazette printed a full but colored account of the battle of Lexington, giving details about the brutality of the British and heroism of the American. The Declaration of Independence was printed in the Philadelphia Evening Post. However, some articles were delayed and incomplete. There was a lack of information on the progress of the colonies during the war and people had to wait to release information on the

Congressional proceedings (Wikipedia 2006). More American papers started, but after the war was over, they lost their revolutionary interest. Loyalist papers were suppressed and the industry all together folded. Issues disappeared from the scene and were replaced with the confusion of starting a new nation. Paper was rare, mail service was poor, and foreign newspapers were very rare. The city papers moved out into the small communities, but with a small audience, they never took off (Wikipedia 2006).

Instead of the newspapers, people found more of their information in mottoes, editorials, letters, and poems. Instead of accounting events, it gave more entertainment to the people. Long, fictional, accounts of battle filled pages and hours of a person's free time, and with many to the early journalists either too old or tired, there was little if any motivation to reinvigorate the American news industry. After the war, the papers could not stay alive and compete in the new era of peace (Wikipedia 2006).

### **The Rebirth of Journalism**

The late 18<sup>th</sup> century saw a sharp decline in newspaper circulation, but some of the papers survived the drought. Poor state relations made it increasingly difficult to trade news, let alone newspapers. Money was very different in each state, and with less and less of it, people were less willing to buy their news (Wikipedia 2006). The Alien and Sedition Acts, passed by Congress under the Federalist government, suppressed many newspapers the same way the British did in colonial days. Afraid of rebellion, the government discouraged public opinion, especially if it conflicted with government policy (Bailey #). Even though newspapers were not as popular, local news was still very important. Political news dominated discussions, while other events such as, fires, murders, or a prodigy, were popular topics, too. The papers that still existed printed private stories and

letters. These were popular because they didn't have to pay the author (having the story in the paper was payment enough). The editors that kept their papers running began to emerge as distinct public powers. By following the events and expressing his or her opinions vigorously, the editor became a voice of the public. The newspaper was gaining some power because of these "master minds of the country" (Wikipedia, 2006). The upcoming Congress was to only revise the existing Articles of Confederation, but it actually was the event that catapulted journalism into the power it once was. (Wikipedia 2006).

The first Congress in 1789 felt the need to start a paper, so they started the "Gazette of the United States". They did this to ease the country's doubts, and hoped to gain support if they decide to create a new government. The government became the center of the journalistic community (Wikipedia 2006). Party politics, most notably, the opinions and ideals of Alexander Hamilton, were the hottest issues. His support of a federalist government was very well known, and popular with many of the delegates arriving to the convention. Although some opposed the assembly because states would lose their rights to a federal government, most stayed to be a part of American history (Wikipedia 2006). The newspapers outside of the "Gazette" were pretty much shut out. Sam Adam's radical papers were left out completely. After fighting a war against a federal government, the convention feared public disapproval, so radical groups were shut out. The public did not know what was going on for much of the convention, which is pretty contradictory to the principle of freedom of the press (Wikipedia 2006). When the Constitution was finally finished, and ready for ratification, the news finally got a good story. Debates raged on and on, and in the end the pen helped to win the "war", when Hamilton, as well as fellow

Federalists James Madison and John Jay, wrote the “Federalist Papers”. These essays, printed in many newspapers, were very well done, and helped to sway conflicted states such as, New York. With key states like New York and Virginia, the Constitution was finally ratified. The newspapers retained their popularity, however, unlike the post-Revolutionary period (Wikipedia 2006).

Newspapers after the new United States government were full of politics and party favors. Political parties had their own papers to reach their voters and their opponents. Journalists were not afraid of criticizing the government either. Many papers slammed the Washington administration for their misdealing with Britain and when the Federal government called militias to stop a farmer rebellion, journalists accused Washington for being another monarch. The papers only grew after this point. By gathering audiences across the nation, either by partisan loyalties or radical ambitions, the papers had gotten their hold on the American public (Wikipedia 2006).

### **The Birth of the News Business**

The need for information only grew after the 18<sup>th</sup> and 19<sup>th</sup> centuries. Journalism was a respectable American profession, protected by the Constitution, and respected by the public. Growth in the newspaper industry grew dramatically in the early 19<sup>th</sup> century because of these ideals. American journalism was one of the most “American” things these early citizens had, and they were definitely proud of it.

However, after the Civil War, there was a shift in the business. Towards the end of the 19<sup>th</sup> century, the Populist ideals crowded the papers. People wanted real change in the government after Reconstruction failed and political officials became very corrupt.

Journalists did not criticize the President nearly as much as they had in Washington’s

day, and to do so was seen as un-American (Wikipedia 2006).

#### Growth in Number of Newspapers

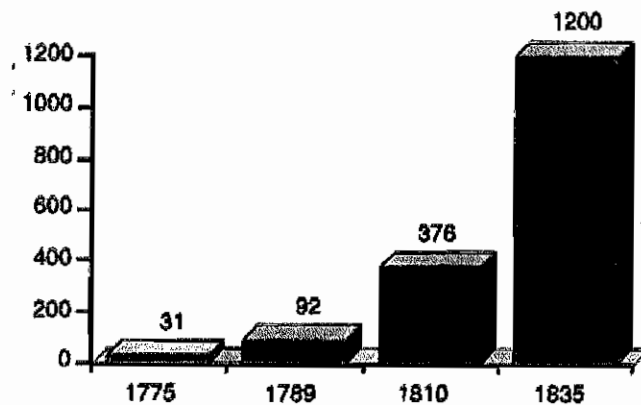


Figure 2.2 The number of American papers grew dramatically in the first century of the new republic (Wikipedia, 2006).

So corruption and scandal filled the administrations of the late 19<sup>th</sup> century, and the public finally saw a need for change. Farmers were in desperate need of aid after the Industrial Revolution, and issues such as women's rights and labor's rights began replacing the partisan issues. This set the stage for the Progressive movement of the early 20<sup>th</sup> century (Bailey 521-527).

Before the Progressive moment took off, and soon after the Populists disappeared from the headlines, yellow journalism took hold of the American news industry. Yellow journalism is very sensationalized journalism, molded in a way so that there is an emotional response from the reader. Facts in yellow journalism are usually scarce or untrue entirely. The master of this was William Randolph Hearst. When the Maine exploded in Cuba, Hearst took the opportunity. He wrote story after story blaming the Spanish, who occupied Cuba at the time. Even though the explosion was an accident, the

public ate up the stories at will. Everybody was influenced by Hearst's newspapers and believed in every word he wrote. In his confident tone, he once said, "You furnish the pictures, I'll furnish the war" (Bailey, 629). The support that Hearst was able to "gain" eventually led to the Spanish-American War. This is the danger of journalism. The public trusted the papers, but the papers were not trustworthy. Hearst was looking at the money flow in while soldiers went to war (Wikipedia 2006; Bailey 623-624; 629-630). Although yellow journalism added a lot to the news industry, it took away from the credibility of journalism as a whole. The power of the press was realized. However, after the war, more the press was more cautious in what it reported. The Progressive movement really helped journalism turn away from this method, but it still continued as a popular way of making the news profitable (Wikipedia 2006).

The Progressives called for very radical changes such as, more government regulation of the railroad, labor, monopolies, and its own officials. Journalists, known as "muckrakers", went into the depths of corruption to expose the true villains of America. Poor conditions in the food industry, the city life, and political boss corruption were very important news topics for journalists to report on (Bailey 666-667). They felt a duty like never before to change America, even if only by opening the public's eyes. Even though they felt a lot of resistance from the people they exposed, no one could silence the stories they told. The most important contribution to the news industry the Progressives had was that they held to true objectivism. They had first hand knowledge, as well as solid evidence. It was journalism at its best (Bailey 666-667).

The business of news had finally begun. People started seeing journalism was a very respectable profession, and the papers that had started in the 19<sup>th</sup> century were the

primary and most popular sources of news (Wikipedia 2006). However, since journalists had to make a paycheck, they would do anything to make their living. Other kinds of yellow journalism began, subjectivity in the news was born, and the introduction of the television only increased journalism's problems. The news industry grew and became what it is today by being motivated by the business. Competition was the key, and it spawned the cable news that dominates the industry today. However, journalism today has suffered from the business and the information is not as objective that early American journalism strived for.

### Chapter III: The Problems Facing Journalism

#### Newspapers

The newspapers suffered over the last year. The “New York Times” cut 45 people from its news room, while the “Los Angeles Times” cut 85 jobs from its staff of 1,000. Even one of the most cost-conscious newspaper chains of all, the “Knight Ridder”, was put up for sale because of poor financial performance (Journalism.org 2006). Overall, the industry had declined circulation, increased pressure on revenues, and stock prices for the year were down 20%. However, revenue from ads went up 1%-2% (Journalism.org 2006). The cost of newspapers went up 5% to 10% in 2005, but with circulation down, it was very hard for papers to make up their losses, even with the ad revenue increasing.

**Daily and Sunday Newspaper Readership**

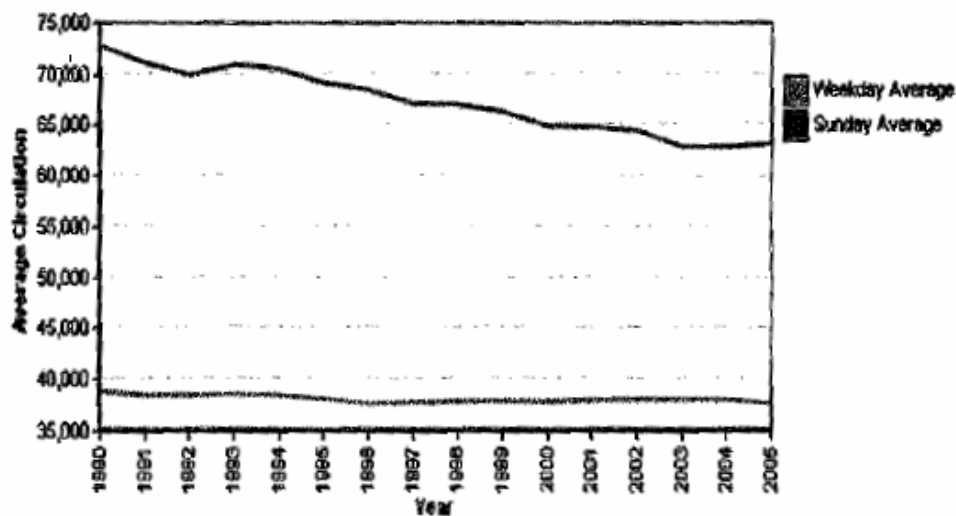


Figure 3.1 Average newspaper circulation is decreasing (Journalism.org, 2006)

Newspapers, although declining financially, are actually helped the credibility of the news media. On average, newspaper readers learned about the widest range of topics and got the deepest sourcing. Also, newspapers offered the most angles than any other media except the Internet (Journalism.org 2006). Local newspapers offered more information

than the local news channels did and local metro dailies remained committed to offering a complete variety of news. National papers, as well as International papers, also increased in their variety of news offered so in that respect, the newspapers succeeded.

Newspapers also succeeded because they offered the most sources, other than Internet, but most of the Internet sources are either unreliable or fabricated. National newspapers have 3 or more sources 90% of the time, while metro papers have 3 or more sources about 53% of the time (Journalism.org 2006). It is important to have many sources because if you don't, your work can easily become biased and one sided. Journalism is supposed to provide facts, but if those facts aren't checked, and they lean us to one side, it really it's just entertainment. In 2005, the newspapers were successful in getting the most information, from the most angles, and that is exactly what journalism should be doing (Journalism.org 2006).

Local newspapers and national newspapers differ pretty drastically in what they report on, but they both offer solid information. In the Milwaukee Journal Sentinel, a reader could learn about a former Nazi prison guard who is losing his U.S. citizenship (Journalism.org 2006), while a reader of USA Today would learn about a bombing in Pakistan. Both topics are unique and purely objective and both are good stories for the public to know about.

Even though the newspapers succeeded in many areas of journalism, they dramatically declined financially. People, however, still find newspapers "to be a fact-based and comprehensive news source" (Journalism.org, 2006). The local newspaper, true to previous trends, continued to be the public's favorite printed news media. However, national papers, such as, "The New York Times" and "The Washington Post", only had

38% of the public give them favorable ratings. However, this may only be accounted by the fact that people are more favorable with the more familiar. “The closer the staff is to the lives of the readers, the more the readers tend to trust them” (Journalism.org, 2006). In comparison with other news media outlets, newspapers in general are 2<sup>nd</sup> most favorable with a 70% rating. Even though 2<sup>nd</sup> best, newspapers went down almost 6% from 2001, while “The New York Times” and “The Washington Post” went down more than 10% (Journalism.org 2006).

**Favorability Ratings of Media Outlets, 2005**

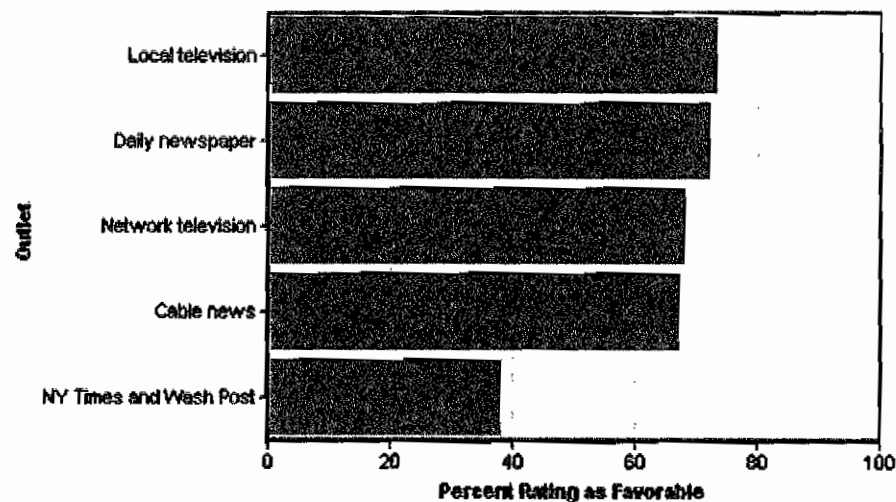


Figure 3.2 Newspapers in 2005 still held strong favorability with readers (Pew, 2005)

Even though the newspapers succeeded in favorability, they still failed overall.

Newspapers did succeed in getting the most widespread information, but if no one reads it, it doesn't really matter. Their problem is that most people today get news from television or Internet. Having to pay for a paper everyday isn't as commonplace as it had been years ago. And even though the public favors the newspapers, they aren't buying them and as a whole. The public's confidence in papers went down, according to the Gallup Organization (Journalism.org 2006). Their survey found that only every 3 out of

10 Americans had confidence in their newspapers. Even though people still found newspapers to be the least biased and most factual, it wasn't enough to get the public's full support (Journalism.org 2006).

The newspaper industry, although helping the credibility of news, is dramatically suffering. Financially, it is still hitting all time lows, and it continues to lose circulation and public confidence. The news business has been too much to handle for the once monopoly of the news industry.

### Magazines

Like newspapers, magazines have also suffered. Magazine revenue, which is mostly based on ads, was down 5% for the year, while large-scale layoffs were prevalent.

"Time" cut 105 people, while "Business Week" cut 60 and "U.S. News and "World Report" laid off respected senior writers, claiming they were trying to change to a more Internet based magazine. Like newspapers, circulation is down, and revenue from ad pages dropped almost double for "Time" and "Newsweek" (Journalism.org 2006).

Different from newspapers, the content of magazines saw a big shift towards lighter subject matter. Instead of hard hitting topics, magazines leaned towards culture topics and entertainment news. Actually, the one part of the magazine industry that grew was the entertainment portion, which saw rapid financial gains in 2005 (Journalism.org 2006). Instead of week to week stories, magazines focused on everything and anything, even if it wasn't relevant to present day America. The goal of magazines must be taken into consideration. Since magazines are entirely commercially funded, their job is to make money. If that means putting Dave Chappelle (famous comedian) on the cover of "Time", then that is exactly what they'll do. Topics such as, the Senate filibuster and the

Guantanamo Bay prison may be more important, but they didn't attract as much of an audience (Journalism.org 2006).

#### Time Magazine on the XBOX 360

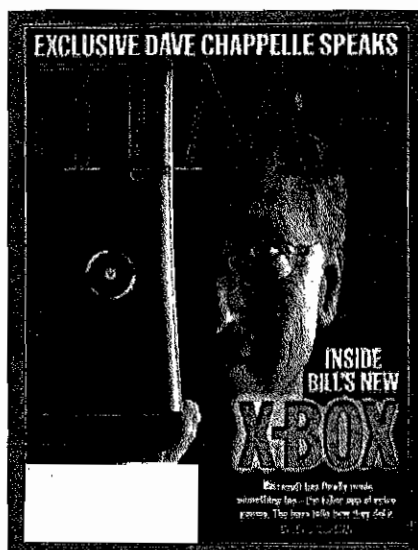


Figure 3.3 Magazines tend to entertain their readers instead of informing them (Journalism.org, 2006)

The success of “The Week” is slowly helping the credibility of journalism today. With no real reporters trying to get “exclusives”, “The Week” is more focused on objective news, rather than subjective opinion. Straying away from the TV personality mentality of most magazine writers, “The Week” tries to get the news out as quickly as possible before it can be spun by anyone’s beliefs. The magazine itself takes the information from outside sources and only gives the facts. However, even though a unique approach, it also hurts journalism by basically being a “sparknotes” edition of the news. It tends to only recap the news, leaving out important facts and statistics (Journalism.org 2006). This is a problem because if it were truly objective, it would definitely include hard facts, like statistics.

Unlike newspapers and television, magazines are not monitored by research groups, so data concerning public opinion is thin. However, long term data suggests that public opinion is most likely negative. Data going back 20 years ago suggests a steady decline in the public's confidence in the weekly magazine. U.S. News, which calls itself the most credible source on news, only increased one percent in regards to credibility. Even though there isn't a lot of data, 2005 saw nothing to indicate a change in public opinion (Journalism.org 2006).

**Where the Public Gets National and International News**

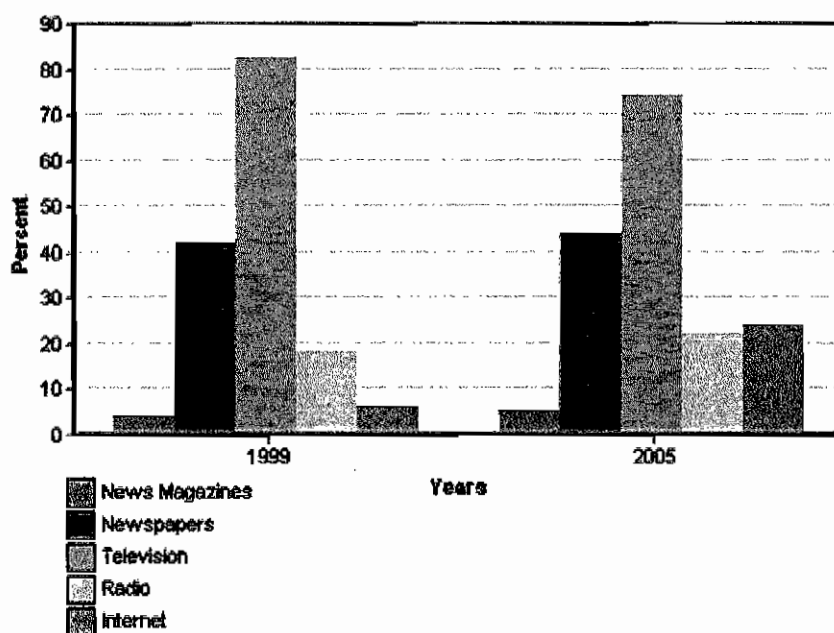


Figure 3.4 Magazines are the last place Americans get their news from (Journalism.org, 2006).

Magazines, for the most part, hurt journalism in 2005. It did nothing to raise its credibility because magazines were only looking for big payouts. The news magazine industry only looks like it will keep going down, and the only answer it has come up with has been “infotainment”, or entertainment presented as news (Wikipedia 2006). This is a dangerous game because it destroys any hope for purely objective news. If other media

outlets follow the magazine industry's lead, which television already has, it will destroy what little credibility journalism has left.

### **The Television Revolution**

Since the dawn of the television era, people have found it to be the simplest and most convenient way of getting their information. And although some of the outlets saw declines, television was one of the most financially successful news outlets in 2005. However, their monetary gains have been discredited by much of the journalist community because the most successful parts had the least journalistic credibility (Journalism.org 2006).

Network news suffered financially in 2005. Even though morning news was still popular among its viewers, evening news lost in the ratings, continuing a decade trend and reaching all time lows last year. However, the successes of morning news are contradicted by their continued lack of hard hitting news. Morning network news looked towards entertainment and soft news for most of their "news" (Journalism.org 2006). It is important to know, however, that even though less successful financially, evening news increased their journalistic credibility. With far more hard news and relevant news, including investigative reporting and global news, evening news was more respected by journalists than cable or morning news outlets. Evening network news was the best national source of facts, only being beaten by local papers and television.

The problem with network news, however, is that it is decreasing financially. This does not look good on the profession because it discourages objective news. Journalists have become less involved with information and more involved with entertainment, evidenced by the successes of morning news. It hurts journalism's credibility when journalists give

up their duty as sources for the public, and start becoming TV personalities

(Journalism.org 2006).

Television still continues to be the number one source of information (Figure 3.4), and that means much of the responsibility is on TV anchors and pundits. Since most of the financial gains rest on cable news, particularly the growing Fox News, most of the responsibility should also be on cable news. But evidence only suggests that cable news is still thinly reported, suffers from a focus on the immediate news, very prone to pundit opinion, and easily controlled by sources who only want to filibuster without listening to the other side (Journalism.org 2006). Even though all these weaknesses exist, especially in Fox News, they are still financially successful. Fox News was actually so successful that it offset the small losses of CNN (overall cable news leader) and the huge losses of MSNBC (Journalism.org 2006). But if Fox News is obviously so successful, then why is it hurting journalism's credibility?

**Where People Go for National/International News, by Channel**

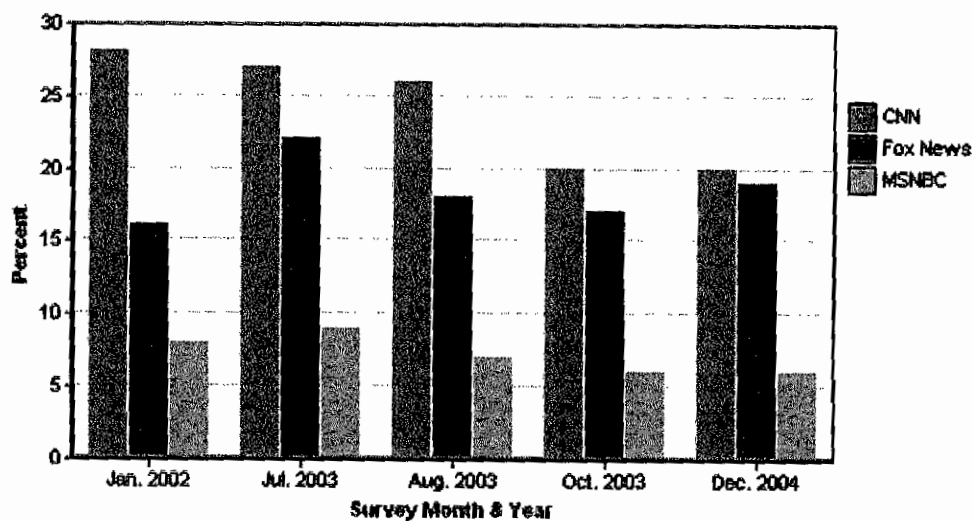


Figure 3.5 Even though leader by a wide margin in 2002, CNN's lead has decreased as Fox caught up (Journalism.org, 2006).

Fox News' strength is in appealing to a specific audience. This means they will have more people watching their channel for longer periods of time because the people agree with everything they say. In order to hold that devoted audience, Fox is very biased towards the people they are appealing to. Even though they attack CNN for being liberally biased, as opposed to their conservative bias, no channel is as biased as Fox. Their bias is caused by the fact that Fox relies on pundit shows where news "anchors" give the news, but with their own political spin on every issue they talk about. Instead of debating issues, they argue with opponents, usually ending in name-calling. Someone that has gained a lot of fame from Fox is Bill O'Reilly, whose "The O'Reilly Factor" is still Fox's number one show.

**Fox News Costs and Revenues**

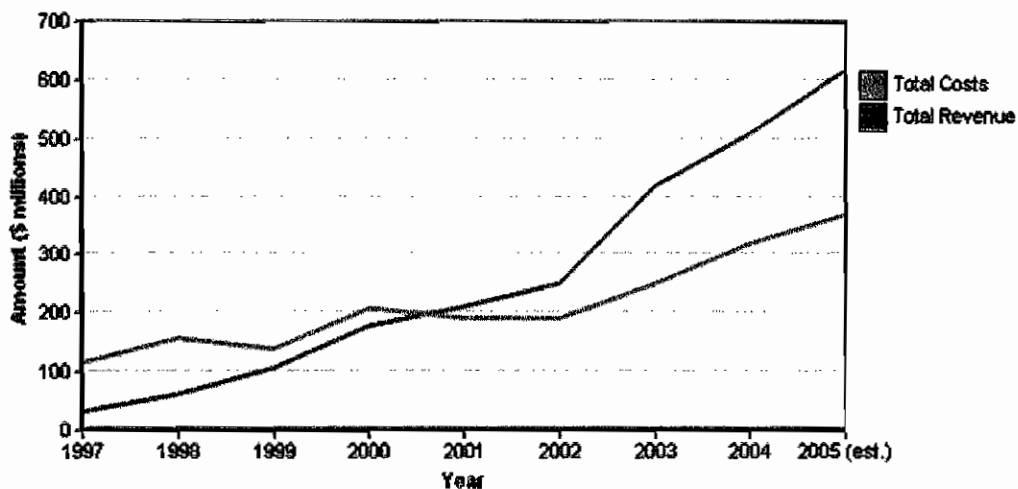


Figure 3.6 Fox News has skyrocketed to becoming the second most successful cable news channel (Journalism.org, 2006).

The problem facing 24 hour news channels early on was how to fill the time. With only so much going on at every given moment, the channels had to fill the time with how random people felt about the news. The news has been changed from being "things" to

“how people feel about those things”. Even though this hurts journalism’s true purpose, it has made these news tycoons billionaires (Journalism.org 2006).

The problems that face cable news as a whole, journalistically, are very widespread. Cable news puts very little emphasis on summing up or clearly defining a day’s events. This means to understand an event while watching a cable news program, you would have to watch an entire day’s broadcast and put all the pieces together (Journalism.org 2006). Although this seems like it forces us to think for ourselves, it actually only confuses the issue.

However, the biggest and most prevalent problem facing cable news earlier has been opinion. People are confusing fact from fiction and mislabeling entertainment as news. However, this is caused because of the bias. People are going to believe what they themselves already believe, so even if it isn’t entirely fact, people are more comfortable believing it.

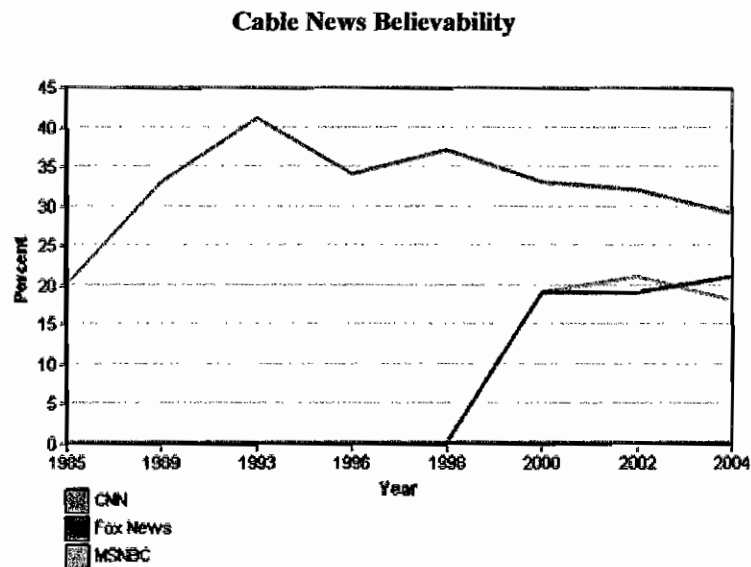


Figure 3.7 Although mostly based on opinion, Fox’s believability has shot up in the last five years (Journalism.org 2006).

Since Fox News continues to be the fastest growing news media outlet, their techniques are being imitated, which hurts journalism's credibility. American capitalism is getting in the way of American journalism. The television, however, has to be more careful because it has a larger and more susceptible audience (Journalism.org 2006) The biggest problem is that satirical shows such as, "The Daily Show" and "The Colbert Report", are actually reporting more global news than most cable news programs. These satirical shows are actually good for journalism because they force journalists to see their faults. But since Fox news viewers are so devoted, it is hard to sway their thoughts and beliefs. The fact is, is that television has hurt journalism's credibility by putting the business above the responsibility. In order to gain viewers, it relies on entertainment and personality to deliver the news. The only sign of hope is in network evening news and some local channels, but if they continue their financial losses of 2005, they may also become victims of the business.

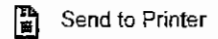
## **Chapter IV: Conclusion**

The news media over the last year has been hurt by the business of the industry. Even though some outlets such as, local newspapers and network news, have helped increase objectivity and investigative reporting, they have financially suffered. This motivates journalists to report opinion rather than news, just because it's more entertaining. But this hurts journalism. If journalism is supposed to provide clear and objective information for the public to base their opinions upon, then this last year was far from journalism. But the main problem has nothing to do with journalism at all. It is the responsibility of the public to distinguish between good news and entertainment. Instead of watching TV, people should discuss what they saw on TV. Instead of shopping on eBay, people can look at newspapers online. We have the most information at our fingertips than any generation before us, and we're wasting it.

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## **Appendices**



Journalism.org  
**The State of the News Media**  
An Annual Report on American Journalism

## Overview

### Conclusion

*By the Project for Excellence in Journalism*

In the first two years of this report, we sensed the news media in America trapped by the twin phenomena of changing technology and economic success. The former created the need for the news media to change fundamentally. The latter bred conservatism and aversion to risk. The role of the press was changing, yet the companies that controlled the media, insulated by high profits, seemed neither to fully understand nor ready act boldly. The problems on the horizon seemed to lead to marginal tinkering, not long-term strategizing.

Heading into 2006, we see a change. The problems of the news media have worsened, and with that we get a stronger sense than in earlier years that the news industry is beginning to move into the next era—especially to the Internet. In network television, it was the generational departure of the old anchors that may have helped propel thinking forward. In newspapers, steeper declines in circulation, eroding economics—and the prospect of more to come—opened minds.

The signs of understanding are not across the board. Local TV news does not appear to be building a future online the way network is. Perhaps it doesn't have to, but it is not immune from problems. Some newspapers are moving more seriously than others.

And many questions remain unresolved. One is whether the news industry has waited too long, letting too many opportunities slip by, such as offers years ago to buy start up companies that now are major new-media rivals. Another is whether consumers will care about the values that the old press embodies, or the brands—such as CBS and the New York Times—that represent those values. Third is whether, at the top, too much of the boldest vision has fled. Does the new industry have leaders who can lead journalists?

The answers won't come right away. But we can see differences even from 12 months ago. In a year that on the surface looks dark for the news media, when measured in profits and numbers, our attempts to probe across the industry hint at something positive, too. The answer, we suspect, will be in the journalism, not merely in the business strategies that fund it. And if the past tells us anything, it's that the two sides cannot flourish unless they move together.

## **O'Reilly: Daily Show Viewers Are Drunken, Stoned Slackers**

**Reported by Marie Therese - September 20, 2004**

Transcript of interview between Bill O'Reilly and Jon Stewart, host of The Daily Show. Aired on The O'Reilly Factor, September 17, 2004 from 8:38 PM to 8:44 PM EDT. CLIP shown of cover of Stewart's new book, "America (The Book): A Citizen's Guide to Inaction."

O'Reilly: "You know what's really frightening?"

STEWART (laughing): "Uh-oh. You've been reading my diary."

O'Reilly: "You know what's really frightening? You actually have an influence on this Presidential election."

STEWART: "Oh I..."

O'Reilly: "That is, that is scary."

STEWART: "If that were so, that would be quite frightening."

O'Reilly: "It's true. I mean, you've got stoned slackers watchin' your dopey show every night, OK."

STEWART: "Yeah."

O'Reilly: "And they can vote and you can't stop them."

STEWART: "Yeah. I just don't know how motivated they would be, these □stoned slackers'."

O'Reilly: "It just depends if they have to go out that day."

STEWART: "What am I, a Cheech and Chong movie - □Stoned Slackers'?"

O'Reilly: "Come on. You did do your research. You know the research on your program."

STEWART: "No, we don't."

O'Reilly: "87% are intoxicated when they watch it."

STEWART: "Oh, (inaudible) don't say."

O'Reilly: "You didn't see that?"

STEWART: "No. I didn't realize that."

O'Reilly: "We have that there."

STEWART: "We come on right after, I believe, puppets that make crank calls."

O'Reilly: "Yeah."

STEWART: "We are, I think, the appropriate follow up."

O'Reilly: "And it's a great lead-in for you."

STEWART: "It's a wonderful show, by the way, if you haven't seen it."

O'Reilly: "Puppets can't vote but these dopey kids, who watch you, can."

STEWART: "They actually can, in Florida they can, now."

O'Reilly: "You mean puppets can vote in Florida?"

STEWART: "They can - as long as they vote Republican."