**The cost to all citizens in a community when a newspaper closes**

*By Andrew Johnson
Immediate Past President, National Newspaper Association*

There are many aspects to the value of a community having a local newspaper serving its community.

The financial health of these newspapers has been challenged in recent years with the loss of local retail advertising, the transition to digital news delivery, negative effects of recent newsprint tariffs, the announcement of huge newspaper postage increases (50%-plus) over the next five years, and the recent negative impact of COVID-19 on many community businesses which advertise in local papers.

One of the main things a newspaper does is represent the public in keeping a local open government. It does this by receiving information about activities/actions occurring at local government meetings, gathering information from open government records and publishing government notices. These three things are the foundation for open government and without any one of them, “openness” is compromised.

The loss of all of those things can be devastating and often occurs when a newspaper closes. Up to this point in time, there has been no effective replacement of a community newspaper in print or online.

One of the impacts of losing a newspaper is an increase in the operational costs of local governments. I am going to reference one study on local governments following newspaper closures to illustrate the financial impact alone of such a loss, “Financing Dies in Darkness? The Impact of Newspaper Closures on Public Finance,” by Pengjie Gao, University of Notre Dame; Change Lee and Dermot Murphy, University of Illinois at Chicago, February 12, 2019. This document can be viewed online at https://www.brookings.edu/research/financing-dies-in-darkness-the-impact-of-newspaper-closures-on-public-finance.

This particular study looked at increased costs to municipalities for borrowing bonds after a newspaper closure. This study looked at actual data from municipalities from across the United States over a period of several years where newspapers were closed.

The study examined the actual cost increase in a municipality during the three years after a newspaper closed. According to the study, “our main finding is that newspaper closures have a significantly adverse impact on municipal borrowing costs in the long run.”

Why does the public pay more when a newspaper closes? Simple. According to the study, first, “the increased government inefficiencies that result from the loss of a government watchdog,” and second, “increased informational frictions that result from lack of press coverage,” thus lenders charge more.

The study further found that “the number of government employees increased by approximately four per 1,000 residents, tax revenue per capita increased by $85, and the deficit per capita increased by about $53.”

Wow! This means taxes increased $340 per year for a household of four people. It is not theoretically what could happen. This is what actually has happened. In perspective, a $50 annual subscription to a community newspaper is an incredible value.

What about other media? Or social media sharing of information? The primary media which has dedicated local professional journalists providing coverage in rural areas are small newspapers.

Other media, including radio, can provide news coverage, but usually cover larger areas and thus cannot provide detailed/complete coverage of each government entity in the coverage area. Television news coverage in rural communities is usually limited to only the very top or sensational news stories that would be of interest to the entire region or state audience.

Sharing information via social media by citizens can be good or bad, but is not the same as a professional journalist who gets first-hand information witnessing a meeting, interviewing newsmakers, reviewing original documents and then editing material so it makes sense to the public. A large amount of information shared on social media is not complete, out of context, or simply not true.

Community newspapers are the most trusted source of local news — more than all other media combined. Trust is a huge issue.

Newspaper publishers in this country have been working hard to come up with new business models which would enable newspapers to continue. Grouping newspapers together to lower overhead, downsizing page counts and news, raising subscription prices, accepting donations, operating as non-profits, are all things being tried. I know all about this first-hand.

In an effort to extend the life of small weekly newspapers I owned and operated for the past 31 years, I transferred ownership approximately three months ago to another larger Wisconsin newspaper family. It was one of the hardest things I have ever done, but it was the best option to give the paper a chance to survive.

The communities I served are lucky that the Wood family was willing to continue to publish the papers. Many other publishers’ hands have been tied by corporate mandates for returns, lack of business or ability to find employees, and a heavy debt load.

The effects of COVID-19 further complicated things. In recent times, many papers often have few options other than to close. Most small-town newspaper publishers put their hearts and souls into the paper because they understand what it means to lose the paper, so they will go as far as they can.

Perhaps informed citizens can prevent further newspaper closures. Community newspapers are different from any other local business. No other business has the rights of the citizens tied to it as community newspapers do. The “press” is the only private business mentioned in the constitution, so our founding fathers must have thought it was important.

The purpose of this column is to make sure the public knows the value of a newspaper. I feel an ethical obligation to write this column and could only do it when I was no longer an active publisher, because of conflicting interests of owning a business and serving the community.

Actually, there was not much conflict because newspapers in recent years are not businesses that make much money; nevertheless, they are private businesses. It is important that the people in this community are clearly informed on the value of having a community newspaper and the consequences for all citizens if it closes.

What can you do? First and foremost, subscribe to the paper, give gift subscriptions, or ask your employer to offer subscriptions to the local paper as a benefit. Encourage your family and friends to subscribe. It is much less expensive to subscribe than not.

Second, patronize businesses which currently advertise in a local paper and encourage other businesses you patronize to advertise in the paper.

Third, support the paper by what you say in words and post on social media.

Fourth, consider making a tax-deductible contribution to the paper specifically to employ professional journalists. Perhaps there will be a day when surviving newspapers will have a similar model structure to public television stations.

Finally, engage with the people who run your local newspaper. Let them know you do care and want to see them succeed. Citizens that are lucky enough to still have newspapers in their communities should do whatever they can to keep the papers, because if they close, the publications statistically will not return and it will cost every business and citizen more money — a lot more money each and every year into the future until something is developed to effectively replace the community newspaper … if that ever happens.

It should also be noted that community newspaper publishers/editors are one of the few groups of people fighting for the interests of the public’s right to know at the street level through their state press associations and the National Newspaper Association.

*Andrew Johnson is the immediate past president of the National Newspaper Association and a past president of the Wisconsin Newspaper Association. He was inducted into the Wisconsin Newspaper Hall of Fame in 2018 and testified as one of two newspaper witnesses in the International Commission hearing on newsprint tariffs in Washington D.C. He is currently publisher emeritus of the Dodge County Pionier, Campbellsport News, and Kewaskum Statesman.*