

The New Digital Press: How to Create a Brighter Future for the News Industry

Executive Summary

In the following *Issues in Governance Studies* paper, Brookings VP and Director Darrell West offers ways to “re-engineer” the traditional business model of the news industry and to improve media coverage of public affairs.

We need a press that engages and informs citizens, holds leaders accountable, and maintains oversight over government agencies. However, declining economy, simultaneous declines in ad revenues and circulation levels have undermined the traditional business model of newspapers, radio and television. The competing emergence of Internet web sites and bloggers has changed the dynamic. As a result, the news media is increasingly merging with entertainment media – a trend which holds the promise of expanding public discourse but also threatens to diminish its quality.

In this multi-faceted, new-media universe, we need an information strategy for the news industry that expands upon the strength of digital media such as diversity, immediacy and interactivity, while encouraging in-depth coverage.

Recommendations

The following steps would increase news consumption, protect basic democratic principles in the new digital era, and insure the future vitality of American democracy.

- **Adopt Digital Payment Systems:** Design easy “fee for content” mechanisms that give consumers the ability to purchase annual or monthly subscriptions, day passes, and single articles from multiple publishers.
- **Display Online News Sources More Efficiently:** Configure online content in ways that make for faster and more pleasant news consumption.
- **Alter Current Antitrust Provisions:** In order for newspapers to charge collectively for content, legislators need to relax antitrust rules.
- **Give Tax Credits for News Subscriptions:** Tax law should be changed to provide a credit for news subscriptions for any filer, regardless of whether that person itemized deductions or the news product is related to work.
- **Make Newspapers Tax-Exempt, Nonprofit Organizations:** Allow newspapers to operate as nonprofits for educational purposes under the U.S. tax code, giving them a similar status to public broadcasting companies.

To learn more, visit: www.brookings.edu/topics/media-and-journalism.aspx