Comments on Consolidation and Localism

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Joel Waldfogel
The Wharton School
University of Pennsylvania
Talk Outline

• Media Markets and Minorities in Context
• Recent History
• Effects of Consolidation
  – On content
  – On behavior
• New Media and Minorities
• Type of Research Needed
Minorities and Local Media Products

• Content preferences differ sharply between blacks and whites
  – Radio, TV, newspapers, …

• Few products per market
  – Who is targeted?

• Who benefits whom?
  – Benefits within groups
  – (Some) harm across groups

• Markets deliver less satisfaction to small groups with atypical preferences
  – Evidence
    • Radio: Waldfogel, 1999; daily newspapers: George and Waldfogel, 2000
Recent History

• Consolidation
  – Increased ownership concentration
  – Reduction in minority-owned outlets

• Problem?
  – How would we know?
  – Effects on:
    • Programming
    • Media consumption
    • Other outcomes (e.g. voting)
Consolidation: Effects on Content

• Ownership concentration may promote variety
  – Reduced duplication
    • Radio (Berry and Waldfogel, 2001)
    • Newspapers (George, 2000)
  – Good for minorities too?

• Owner race may affect content
  – Not obvious: Most black-targeted radio stations are white-owned
  – But radio evidence: More black owners ⇒ more black-targeted programming
    • Siegelman and Waldfogel, 2001
  – Thus, expect reduction in minority-targeted outlets to reduce minority listener satisfaction
Consolidation: Effects on Behavior

• Communicating with groups
  – If blacks and whites have different content preferences, how can politicians communicate with blacks?

  • Black-targeted local media outlets (radio stations, weekly newspapers) increase black tendency to vote

  • Both ownership and targeting matter
    – Ownership matters more in panel
    – Oberholzer-Gee and Waldfogel, 2001

• Potentially important outcome
Localism: Effects on Programming and Welfare

• How might we think about benefits of localism?
  – Is locally controlled programming responsive to local demographics?
  – Does local programming matter?
    • irrelevant in a multichannel national environment?

• Now studying local TV
  – Preliminary finding:
    • Black-targeted local programming, viewing tendency responsive to local fraction black
Black-targeted local programming and black pop share

- More black-targeted local segments in markets with higher fraction black
  - My calculations from Scarborough Research, Census data
Black tendency to watch and black pop share

- Blacks watch more local segments in markets with higher fraction black
  - Will share study when available
Localism: Effects on Behavior

• How do national news media affect local news sources and local political participation?
  – Preliminary results: increased circulation of national daily affects:
    • Local paper circulation
      – Reduces targeted audience readership
    • Local paper positioning
      – Toward local content
    • Local political participation
      – Reduces voting by target audience
        » Less so in presidential years

• …suggesting that content origin matters
  • New research with Lisa George
  • Will share when ready