

Comments on Consolidation and Localism

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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

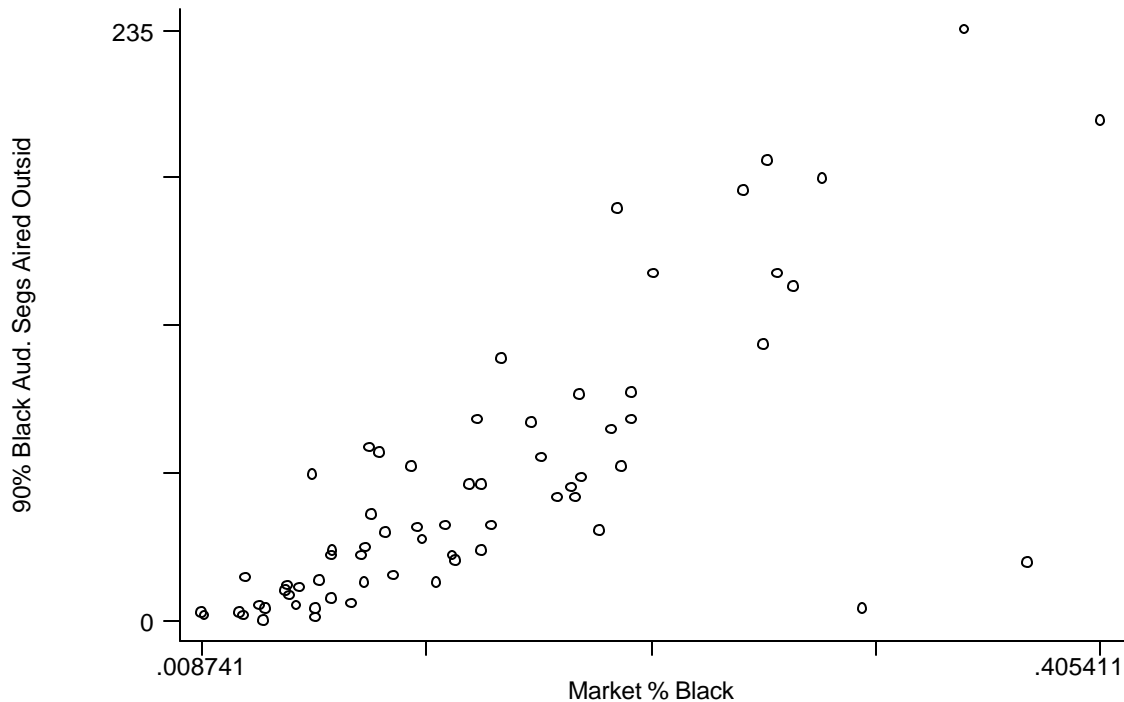
Consolidation: Effects on Behavior

- 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

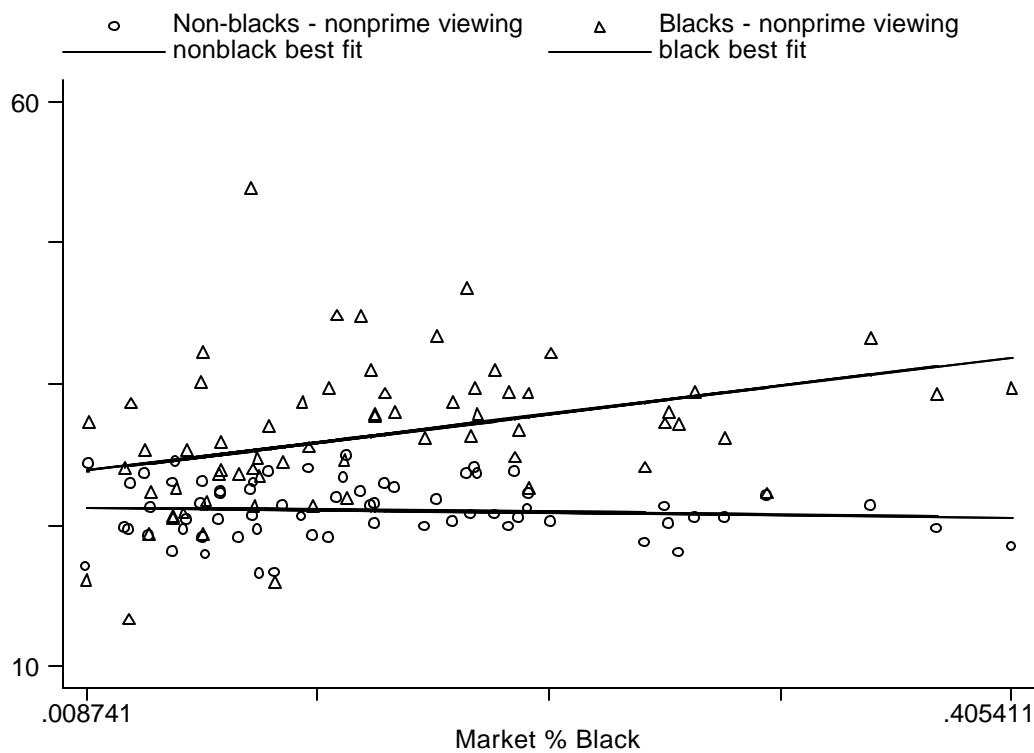
- How might we think about benefits of localism?
 - Is locally controlled programming responsive to local demographics?
 - Does local programming matter?
 - irrelevant in a multichannel national environment?
- Now studying local TV
 - Preliminary finding:
 - Black-targeted local programming, viewing 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