The changing face of media

Traditional formats give way to digital platforms, consolidation

By JENNA LUHRS

In 1992, a decades-long, cross-town rivalry between the Anchorage Daily News and the Anchorage Times ended with the Times closing its doors and laying off more than 400 workers. Competition between the papers had become cutthroat, and both businesses were operating at a loss. “The way the economics are, in any town, it’s real hard for two papers to make it,” Times publisher Bill Allen said at the time.

The numbers of newspaper publishing outlets and jobs have continued to recede in the three decades since. Losing 400 jobs was a shock to the state’s newspapers in 1992 when they had more than 1,000 jobs — today they have fewer than 400 total.

Jobs in newspapers and other types of “traditional” media such as books, magazines, radio, and TV have been on a long decline with changes in technology and consumer preferences. When the pandemic began this spring, demand for online services and communication reached unprecedented levels, but it’s too early to tell whether COVID-19 will hasten the decline that traditional media began decades ago. (See the sidebar on the next page.)

Newspapers on a long decline in Alaska and nationally

Alaska has 16 newspaper outlets — half of what it had in 2001 — and employment has fallen 72 percent over the last two decades. Aside from the decline between 2008 and 2010 — the aftermath

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Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Department of Labor, Bureau of Labor Statistics

Alaska, U.S. newspaper publishing on similar trajectories

*In 2019 dollars
Digital demand soars during pandemic, spurring more change

In January, we forecasted the media sector would lose around 100 jobs this year, or about 2 percent, in a continuation of its longer-term decline. That was before COVID-19 was declared a pandemic on March 11, blurring the communications picture.

Media consumption and delivery have changed in the short term as a result, but it’s not yet clear how the pandemic will affect jobs or whether it will hasten the long-term transition from traditional to digital media. What’s certain is that internet demand jumped in recent months, and the lack of in-person contact forced people and companies across the globe to move some services and communications online sooner than they otherwise would have.

Like the rest of the world, Alaskans have upped their internet use to unprecedented levels in recent months. According to the state’s largest service providers, the number of people working from home, attending school online, and connecting virtually has required previously unseen amounts of bandwidth and equipment. AT&T, Matanuska Telephone Association, and Verizon reported major surges in use, Alaska Communications increased its bandwidth by 20 percent, and GCI reported that in April alone, they increased service capacity by an amount normally anticipated over two years.

Before the pandemic, Alaska had already been focused on improving internet access and delivery — but preventing the spread of COVID-19 accelerated the transition in some fields, such as telehealth and online universities. The pandemic also amplified the challenge of educating K-12 students, especially in sparsely connected areas.

Distance education and rural challenges

When schools closed in March and switched to remote learning, the state’s 13 internet providers agreed not to cut service for nonpayment through June 30 as part of the Federal Communications Commission’s “Keep America Connected” pledge, and some waived fees for college students and hospitals.

Eight out of 10 Alaskans have access to internet service, but the pledge only went so far in rural Alaska, where many villages lack fiber optic internet cables or digital data to begin with. Alaska has 54 school districts, and in some, as little as 5 percent of students have sufficient internet access for online courses.

It’s common for remote students to attend larger regional high schools. Once schools closed, these students returned to their home villages, and some weren’t able to complete the school year online. Even in areas where service was available, obtaining the necessary equipment (namely modems) was a barrier. Internet providers ran out of equipment within just a few weeks. Wireless hot spots, a popular alternative for villages without fiber optic cables, have also been in high demand in recent months.

For some students, finishing the school year in districts without adequate internet required improvising. Some turned in work packets to teachers via text message, and some teachers transferred videos to students’ phones via Bluetooth or called the students who had telephones. Some educators reported spending multiple hours a day making contact with just a few students.

The new school year, which started in late August for some districts, added another layer of urgency to improving access. Once it became clear that most districts would choose distance delivery for at least the start of the school year, internet providers began working with them on district-specific connection plans. Some, such as the Lower Kuskokwim, are using federal pandemic relief funding (CARES Act) to set up a network for students. Protocols vary widely, and some districts pushed their first day of classes later into September, so plans were still in progress when this article was published.

The state has also restricted utilities from cutting service or charging late fees through Nov. 15.

Telecommunications hadn’t been growing

Telecommunications represents one out of every 100 jobs in Alaska. Before this year, the industry’s employment had been on a long, slow decline of about 1 percent per year since 2001, despite the global digital transition.

Because the cost of installing network infrastructure and providing internet connectivity is prohibitively high across large swaths of the state, Alaska is one of the states whose providers receive massive annual subsidies from the Federal Communications Commission. Following a 2016 report by the FCC that 67 percent of rural Alaskans didn’t have access to high-speed internet, Alaska’s providers entered into the “Alaska Plan,” which provides about $150 million a year to improve rural wired and wireless service. One goal is to deploy high-speed mobile service to at least 85 percent of rural Alaskans by 2026.

Internet providers expected the plan would generate more jobs. However, the statewide recession that began at the end of 2015 and changing consumer preferences dampened demand. Losses accelerated to around 3.7 percent annually, or 150 jobs, between 2016 and 2020. The net loss since 2013 has been around 500 jobs.

More Alaskans are subscribing to internet and mobile service this year, and job postings show some hiring. We don’t yet know whether this will translate into job gains, or how much growth will flatten back out after the pandemic ends.
of the U.S. Great Recession — Alaska’s largest loss was in 2018 when 103 newspaper jobs disappeared. In addition to downward pressure from the statewide recession, restructuring at Anchorage’s daily newspaper and daily publications in Juneau, Kenai, and Homer accounted for much of the 2018 loss.

Wages fell over those two decades as well. Alaska’s average newspaper publishing wage declined 2 percent between 2001 and 2019 when adjusted for inflation, while comparable wages grew 10 percent nationally.

The downward employment trajectory has been equally stark nationally, however. Between 2001 and 2019, annual U.S. newspaper publication employment fell by 67 percent (273,000 jobs) and the number of establishments dropped 25 percent (from 9,300 to 6,966).

In 2018, according to Pew Research, U.S. newspaper circulation reached its lowest point since 1940, the first year data were recorded. Other forms of news consumption, including those brought on by the digital age, had eclipsed print’s popularity. TV was the most popular news source among U.S. adults in 2018 (49 percent), followed by news websites (33 percent), radio (26 percent), social media (20 percent), and print newspapers (16 percent). It was the first year in which more adults reported getting news from social media than from newspapers.

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Where displaced newspaper workers* were working in Alaska 10 years later

![Graph showing employment distribution](image)

*We looked at about 900 workers who had been in newspaper publishing in 2009 to find out where they were in 2019. Of the original group, 34 percent were still working in Alaska but working in the other industries shown above.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

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It’s been harder for small and independent publishers

One consequence of the industry’s decline has been diminished daily and weekly news coverage in rural Alaska. Small operations — often the first to close their doors — are frequently the only local news outlet. In some cases, publications in regional population centers have expanded their geographic coverage to fill the void.

Alaska TV, radio broadcasting job declines have accelerated recently

![Graph showing employment decline](image)

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The digital age has stimulated other media categories, but those gains haven’t come close to offsetting newspaper job losses.
The disappearance of independent publishers is a long-term national trend. The costs of running a printing press and covering the news have become prohibitively high as their main revenue sources — circulation and advertising — have fallen. Newspapers continue to consolidate under entities that own multiple publishing outlets, often across several states.

## Where 900 displaced Alaska newspaper workers went

In 2009, almost 900 workers across the state earned wages in newspaper publishing. Ten years later, when more than 350 of those jobs had disappeared, 54 percent of the original group had retired, left the state, or otherwise left the workforce; 34 percent were working in Alaska but in other industries; and 12 percent were still employed in newspaper publishing.

In the second quarter of 2019, more than half of the roughly 300 who were still in Alaska but working in a different industry were in government, retail and wholesale trade, education, or health care, as the graph on the previous page shows. Nine percent of those who left newspaper publishing didn’t go far. They were working in commercial printing, radio broadcasting, or other media.

## Book, magazine, and online publishers are also struggling

Aside from newspapers, publishing in Alaska includes small numbers of magazine, book, software, and internet publishers. Like newspapers, magazine and book publishers have struggled to keep growing in the modern era. Compared to 2013, their combined 2019 employment was down 57 percent and their adjusted wages fell by 49 percent and 5 percent, respectively.

While internet publishing grew nationally, this small category in Alaska declined by about half over the same period. Average wages grew 148 percent in Alaska during those years, however, when adjusted for inflation.

This category publishes or broadcasts exclusively over the internet, and it includes newspapers if they no longer have a print edition as well as operators of web search portals.

## Television broadcasting added jobs until the state recession

Jobs at Alaska television stations had been growing before the state recession began in late 2015, reaching a high of 432 jobs in the second quarter of that year before slowly declining for the next four years.

Local TV establishments have historically generated more revenue in election years, and annual television broadcasting employment and wages were both up 12 percent in 2014, the same year Alaska held elections for two U.S. Congress seats, the governorship, and the Alaska Legislature. Growth flattened out in the second half of 2015 as the recession began, and the industry lost a modest number of jobs in 2016 despite increased viewership from the presidential election.

TV employment continued to fall for eight straight quarters during the statewide recession. Losses slowed temporarily in 2018, another election year for Alaska’s governor and U.S. House representative, then accelerated during the first three quarters of 2019. In the first quarter of 2020, employment in television broadcasting hit an eight-year low of 313 jobs.

TV’s adjusted average annual wages grew over those six years, though, rising 10 percent to $55,555, on par with the U.S. industry’s wage growth.

Radio broadcasting employment has declined each

## 2019 media wages, Alaska and U.S.

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<thead>
<tr>
<th>Category</th>
<th>Alaska avg wage*</th>
<th>U.S. avg wage*</th>
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<tr>
<td>Telecommunications</td>
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<td>Data processing and hosting</td>
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<td>Movie theaters</td>
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*In 2019 dollars

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Department of Labor, Bureau of Labor Statistics
year since 2013. By the first quarter of 2020, employment had dropped 19 percent, from 421 to 315.

Radio’s average pay continued to grow over that period as well, but slightly. Radio broadcasting wages rose 1 percent, to $44,120 in 2019, which was well below the national industry’s 11 percent wage growth (to $65,827), when inflation-adjusted.

Like newspapers, broadcasters face losses through consolidation

On July 31, GCI announced it would pull Anchorage television station KTVA from television broadcasting and sell a majority of its assets to the owner of competitor KTUU: Colorado-based Gray Television. Gray owns or operates more than 100 TV stations and digital properties in more than 90 markets across the country.

This ended a rivalry that began in 1953 when the two television stations (KTUU was called KFIA back then) were the first to air in Alaska.

KTUU had edged out KTVA in ratings and viewership since at least 1989 when KTUU gained national recognition for its coverage of the Exxon Valdez oil spill. GCI purchased KTVA in 2013 and invested millions in a new newsroom and a larger staff with the goal of expanding viewership again and raising ratings.

Six years and tens of millions of dollars later, KTVA’s gains proved slight. TV was under pressure from the same long-term trends that were consuming other forms of traditional media: changing consumer habits and a shift to digital advertising.

TV is under pressure from the same long-term trends as other forms of traditional media: changing consumer habits and a shift to digital advertising.

Film production has also grown nationally, with employment rising 36 percent from 2001 to 2019.

Alaska movie theaters have added jobs since 2013 as well, growing from 344 to 390 by the first quarter of 2020. Average annual wages in Alaska theaters increased 17 percent, to $14,404 in 2019.

Monthly movie theater employment in Alaska follows a seasonal pattern, with highs in May through July during the blockbuster season and again in December during awards season.

Movie theaters continued to add jobs even during the state recession, reaching a high of 466 in the second quarter of 2016. Though theater employment fell slightly over the next three years, it remained above pre-recession levels. Starting in March, though, theaters were hit again by measures to curb the spread of COVID-19, and months-long closures will erase some of the recovery.

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Tax credit boosted Alaska’s film production starting in 2013

Alaska’s small motion picture and video production industry was one of the few traditional media categories to grow over the last few years. Although it represents a small number of jobs, the industry’s employment has grown an average of 16 percent each year since 2013, and its annual wage has risen 7 percent.

Between 2009 and 2015, The Alaska Film Production Tax Credit Program subsidized video production in the state at more than $9 million each year. The credit offered a base rate of 30 percent of expenses, with additional incentives for hiring locally, shooting during winter, and shooting in rural locations. “Sarah Palin’s Alaska” and the movies “Big Miracle” and “Frozen Ground” were among the reality shows, films, and commercials that benefitted from the program before it expired in 2016.

The tax credit boosted film production in Alaska, and the industry has added jobs across the state over the last several years. According to the Alaska Department of Revenue, which took over the program in 2013, 91 residents working in production received the credit in 2014.

The program was phased out in 2016, but credits are good for six years. Because projects can taper into 2023, it’s too early to determine the program’s effect on jobs.