

# Money

The getting and spending of money are constant topics in news organizations — rarely more so than now with the fierce pressures of Wall Street. Publishing and broadcasting are businesses but journalism isn't. So how do you cope with the demand to maintain news quality while meeting budgets, under pressure?

## Jay Harris

I think if we follow only the path of satisfying investors, we will do that until the day we have so gutted our franchises that they will no longer be profitable. And then the investors will walk away. And we will be left with the shell of what we started with.

## William Hearst III

I had a flash of insight about money. Until then, I always had a picture in my mind of what I wanted to get done. And the question was how to get the resources to do it. After the flash of insight, I realized I had it backwards. Think of resources as fixed — like somebody has come to you and said, “Look, I'd like to do a newspaper and all I've got is X.” You'd think of the problem in a different way. You'd think, how much could I get done for X? Rather than, how much can I fall short of this vision I have?

When you look at it that other way, a lot more energy comes out. And you do get more. I think a lot of businesses are like that. American papers run their editorial departments at about 10 percent of the revenue. So that's what you've got. Now, what are you going to do with it? It's not like baseball where you can draft new players and raise the budget. It's more like Little League. These are the players. Now get out there and win with them.

## Norman Pearlstine

Editorial independence is essential to our work. Business pressures cannot influence what we do and don't print. At the same time, however, we need to recognize that publications without profits rarely produce great journalism. The best publishers understand the journalists' mission, and the best editors view their publishers as partners.

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## Jack Fuller

Simply having the fight (over editorial budgets) and losing part of it over and over again — and going on and hacking at things — is not as [good] a solution as finding smart, innovative ways of doing things better and cheaper.

If I could wave my wand, it would not be to neuter the debate. Quite the contrary. It would be to get the editors in control of the situation.

## Neal Shapiro

I think it is much better [for staffers] just hearing about tough economic times from leaders because we are journalists. We love to talk, we love to gossip. Your newsroom will be filled with all that stuff anyway, why not just tell people what you know?

## Alberto Ibargüen

One particular year, we set a margin goal. If we met that margin goal, everybody in the company would get a full week's pay. And it didn't matter whether you were a bum or a hero. If you were in the company on that particular day and we made the number, you got a week's check.

That may be the single best business-literacy move I've ever made. We had one of those United Way thermometers in the cafeteria, and it was e-mailed to everybody. It was generally communicated. And the best part was that we were going green, green, green, and in July, we missed budget and it was red. It was stunning. That's when everybody suddenly paid attention, and (we) went back to green in August.

## Nancy Maynard

Wall Street versus quality. News managers have to be honest with themselves about their needs. Working journalists are heavily invested in the economic well being of their companies through employee stock options and retirement plans. That's the reality.

## Matt Storin

If you want to look at the big picture, maybe the financial community and the stockholders and the captains of our industry are going to have to recognize newspapers as some kind of true public trust down the road, and not strive for these 25-percent profit margins. But I don't know when that might happen.

Of course, the little-discussed fact in the modern newspaper is that the same journalists who are decrying these captains of industry, who are trying to enhance shareholder value, have all built vacation homes on the money that they have made from the 401(k)s and the stock-sharing plans and whatnot as their companies have thrived.

## **Sandy Rowe**

I work for the Newhouse family, and they don't have a corporation, there's no corporate staff, there's no corporate headquarters. It also creates a great responsibility, because there are no excuses in our company. I can't say, oh darn, if it weren't for corporate, we could do "X."

## **Tim McGuire**

Every analyst that I know of would respond very well to growing market share, to growing top line. Wall Street is going to abandon us, anyway, if we think we're going to cut our way to prosperity.

## **Karen Jurgensen**

We've tried to get everybody to understand that every dollar we save in one way, by not doing the fancy expense-account meal, is a dollar that we can spend on phones for reporters in Afghanistan. So you try to be clear about what your priorities are.

## **Arthur Sulzberger Jr.**

Profit matters. Excellence matters. The balance ... is to be found in long-range planning, in committing the journalism and business sides together in a vision of what you must become and then striving for that vision, (and in) recognizing that there'll be good years and bad years — and that's just all right. Welcome to adulthood.

## **William Hearst III**

(Hearst CEO) Frank Bennack told me one time that nothing happens until somebody buys something. It's just activity until you create enough value for somebody to give you their hard-earned money.

## **Dick Wald**

Dan Burke, who was the chief operating officer and then the chief executive officer of Cap Cities for a long time, used to say, "Look, you can't keep control of the environment. All you can control are your own costs. As long as you're controlling them as well as you can, you'll be OK." And I think that's very sensible advice. But Wall Street has no interest in what I think of as the mission of journalism in general. It doesn't disapprove. It's just not a piece of the equation that it deals with. There are times when the mandate of Wall Street falls athwart the mandate of the news. And I think that it is imperative that you know enough about your own budgets to be able to say "further is no good, I cannot do that and I won't." And "I won't" is a tough thing to come to. It really is. But it's necessary.