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Annual Internet Survey by the Center for the Digital Future Finds Large Increases in Use of Online Newspapers

**Center director Jeffrey Cole:
“Greatest opportunities in their existence” await newspapers
that can move decisively online**

LOS ANGELES, April 28, 2009--In a year when the woes of newspapers -- layoffs, consolidations, and outright closings -- are more extensive than in any period in memory, strong evidence of the changing nature of media use in America may be found in a single statistic: Internet users report a large increase in time reading online newspapers, according to the annual survey conducted by the Center for the Digital Future at USC's Annenberg School for Communication.

In questions about reading online and print newspapers -- key elements of the eighth annual comprehensive study of the impact of online technology on America -- the Digital Future Project found that Internet users read online newspapers for 53 minutes per week, the highest level thus far in the Digital Future studies.

In contrast, Internet users in 2007 reported 41 minutes per week reading online newspapers.

The Digital Future Project also found that 22 percent of users said they stopped their subscription to a printed newspaper or magazine because they could access the same content while online.

“The most significant trend about how Americans are changing their news reading habits may be found in comparing the use of online media by light users vs. heavy users,” said Center director Jeffrey I. Cole. “Heavy Internet users spent 65 more minutes per week reading online newspapers than do light users.

“This raises the question: how will the media habits of the current generation of light users change as online content continues to expand?” Cole said. “What ramifications will these changes have for the newspapers of America?”

“We’re clearly now seeing a path to the end of the printed daily newspapers -- a trend that is escalating much faster than we had anticipated,” Cole said. “The decline of newspapers is

happening at a pace they never could have anticipated. Their cushion is gone, and only those papers that can move decisively to the Web will survive.”

Cole cited four primary reasons for the rapid decline of printed newspapers: the loss of newspaper classified advertising to the digital realm, concerns about the environmental impact of newspapers, the economic downturn, and no prospects for new readers.

“With classified ads all but gone, newspapers had two major types of advertisers: car dealers and department stores,” Cole said. “Those advertisers are withering away.”

The findings are not unique to the United States. The World Internet Project, created by the Center for the Digital Future, conducts studies of the impact of online technology in 23 partner countries. Every partner has found the same trend in its country: when Internet use reaches 30 percent of the population, newspaper use begins to decline.

“Thirty years ago, teenagers began to read newspapers as they reached their adult years. Today, teenagers don’t read printed newspapers, and research indicates they never will,” Cole said. “Yet we’ve found that teens are more interested in news than any generation we’ve seen in a long time, only now online sites are their news sources.

“Our study has shown over the years that the future is clear,” said Cole. “When newspaper readers die, they aren’t being replaced by new readers.”

Opportunities for Newspapers

In spite of grim prospects, significant bright spots remain for newspapers, Cole said, including “the greatest opportunities in their existence.”

“For the first time in 60 years, newspapers are back in the breaking news business,” Cole said, “except now their delivery method is electronic and not paper.

“Since the beginning of radio, newspapers have not been able to compete with broadcasting for delivery of immediate news,” said Cole. “But in a digital world, newspapers can compete at least as effectively for breaking news delivery with broadcast media. On the Web, newspapers are live, and they can supplement their coverage with audio, video, and the invaluable resources of their vast archives. And, they already have talented teams of reporters and editors who can deliver the news.

“The key to newspapers’ success,” said Cole, “will be making bold moves entirely into the digital realm, and building business models that allow them to thrive online.”

In addition, print newspapers still have strong brand identities and reader loyalty, suggesting they may not be finished yet.

In fact, while the Digital Future Project found increased reading of media content online, the study also found that a large percentage of Internet users remain loyal to print versions of

newspapers. When asked if they would miss the print edition of their newspaper if it were no longer available, 61 percent those who read newspapers offline agreed -- up from 56 percent in 2007.

The Digital Future Project: exploring 15 years of Internet use

The publication of Year Eight of the Digital Future studies comes at a milestone moment in the evolution of the Internet: 2009 marks 15 years since Web sites became generally available to the American public.

In 1994, fewer than two of every ten Americans used the Internet; in 2009, more than eight in ten Americans go online.

“The primary purpose of the studies conducted by the Center for the Digital Future is exploring the profound changes in views and behavior that have occurred during those 15 years of Internet use -- as well as the changes yet to come,” Cole said.

The Center for the Digital Future: nine years of exploring the digital realm

The Center for the Digital Future at the USC Annenberg School for Communication created and organizes the World Internet Project, which includes the Digital Future Project and similar studies in North America, South America, Europe, Asia, the Middle East, and Oceania .

The Digital Future Project provides a broad year-to-year exploration of the influence of the Internet and online technology on Americans. Since 2000, the project has examined the behavior and views of a national sample of Internet users and non-users, as well as comparisons between light users (5 hours or less per week using the Internet) and heavy users (more than 24 hours per week on the Internet).

The project also explores differences in online behavior among users of telephone modems compared to broadband.

For highlights of the 2009 Digital Future Project or to order a copy of the complete report, visit www.digitalcenter.org.

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Highlights:

The 2009 Digital Future Project – Year Eight

In 2000, the first report of the Digital Future Project created a baseline profile of behavior and attitudes about Internet use and non-use in five major subject areas: who is online and who is not, media use and trust, consumer behavior, communication patterns, and social effects.

The next seven years of this study, conducted in 2001, 2002, 2003, 2005, 2006, 2007, and 2008, have continued the year-to-year appraisal of more than 100 major issues, now focusing on Internet users vs. non-users, as well as light users (5 hours or less per week of use) compared to heavy users (more than 24 hours per week of use).

Here are highlights of the five major areas in the 2009 Digital Future Project:

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Internet Users And Non-Users: Who Is Online? Who Is Not? What Are Users Doing Online?

Fifteen Years Online: Overall Internet Use in the United States -- The percentage of Americans who use the Internet has reached 80 percent in the current Digital Future study.

Age and the Internet -- Not surprisingly, Internet use increases as age decreases. The highest percentage of Internet use is among Americans under age 18. Even at higher age levels, large percentages of Americans use the Internet; for example, 40 percent of those age 66 and older go online -- a level that has increased from 29 percent in 2000.

Hours per Week Online -- The amount of time that Internet users spent online has grown in each year of the Digital Future studies, and has now surpassed an average of 17 hours per week.

Hours per Week Online: Light Users vs. Heavy Users -- The Digital Future study found very large differences between the online hours of heavy users and light users. Light users spent an average of 2.8 hours per week online, compared to heavy users who average 42 hours a week online.

Working Computers in the Home -- The percentage of homes with three or more continues to increase. Now, 24 percent of American households have at least three computers. Not surprisingly, the percentage of households with no computers continues to decline; in the current study only 15 percent of homes in America do not have a computer.

Home Page Choices -- The percentage of Internet users who use a search engine for their home page continued to grow in the current Digital Future study. Twenty-two percent of Internet users use a search page such as Google. The percentage of users who start their online access with a portal such as Yahoo, MSN, or America Online also grew in the current study.

Internet Connection at Home: Modem, Broadband, Cell Phone -- Internet access through a broadband connection is now by far the dominant form of online service at home. Broadband use is now approaching 80 percent of Internet users -- more than double the level of five years ago, and eight times the percentage from the first year of the Digital Future Project in 2000. Access to the Internet by phone modem has dropped to less than 20 percent of Internet users (16 percent).

Broadband: Is It Always On? -- In the homes of a large majority of broadband users, the Internet is “always on.” Two-thirds of home Internet users (67 percent) keep their broadband connection turned on most of the time while they are at home. Only 20 percent do not, down slightly from 2007 (the first year this question was asked).

Internet Access by Cell Phone and Wireless Computer -- Using cell phones and wireless computers to go online continues to increase, reaching their highest levels in the Digital Future Project.

Communication Technology: How Does It Affect the World? -- Internet users and non-users continue to express strongly contrasting views about the impact of new communication technology on the world. While 58 percent of Internet users in the current study said that communication technology makes the world a better place, only 44 percent of non-users express the same view.

Internet Non-Users

Internet Non-Users: Reasons for Not Being Online? -- The most common reason for not using the Internet was “no interest” or “not useful” -- cited by 30 percent of all non-users -- the first time that explanation has been the most-cited reason. In second place, and close behind “lack of interest,” is “no computer” or “no Internet connection.”

Internet Non-Users: Will They Go Online? -- Only 36 percent of Internet non-users in the current study said they are somewhat likely or likely to go online within the next year -- down from 46 percent in 2007 and the lowest percentage in the eight years of the Digital Future studies.

Internet Dropouts: Will They Go Back Online? -- The percentage of Internet dropouts in the current Digital Future study who said they will go back online increased substantially over 2007, and is now nearly half (48 percent) of former users, reversing a downward trend that began in 2006.

Media Use And Trust

Web Sites: Which Are Reliable and Which Are Not? -- In the current Digital Future Project, 81 percent of Internet users said that government Web sites were generally reliable and accurate -- about the same in 2007. Faith in news pages posted by established media (such as nytimes.com and cnn.com) decreased, and is now at the lowest level yet reported in the Digital Future studies.

Search Engines: Reliability -- The percentage of Internet users who said that most or all of the information provided by search engines such as Google is reliable and accurate rose slightly in the current study after a decline in 2007.

Trends in Online Media Use -- Looking at the use of online media, Internet users in the current Digital Future study reported increases in their time involved in most online media. Users reported spending the largest amount of time spent playing online video games and listening to online radio. In what could be considered evidence of the ongoing decline of printed newspapers, users reported large

increases in weekly reading of online newspapers, now at the highest level thus far in the seven Digital Future studies in which this question was asked. Other peak levels for the Digital Future studies were also reported for reading online magazines, and watching online television and online movies.

Would You Miss the Print Edition of Your Newspaper? -- Even though Internet users reported devoting significant amounts of time to reading online newspapers, when asked if they would miss the print edition of their newspaper if it were no longer available, 61 percent those who read newspapers offline agreed -- up from 56 percent in 2007.

Posting Information Online: Blogs, Photos, and Maintaining Personal Web Pages -- Distributing content created by Internet users on a blog, through a display of photos, or on a user's personal Web page continues to increase. In the current Digital Future study, 44 percent of Internet users said they post photos online -- four times as many as in 2003. The percentage who keep a personal blog, although still less than one-quarter of users, increased substantially in the current study.

Consumer Behavior

Who Is Buying Online? -- Almost two-thirds (65 percent) of Internet users also buy online.

Privacy Concerns When Buying Online -- Privacy and security while online have been reported as major concerns in each of the eight Digital Future studies. Almost all respondents continue to report some level of concern about the privacy of their personal information when or if they buy on the Internet. The total percentage of respondents who reported some level of concern about the privacy of personal information (somewhat, very, or extremely concerned) reached 93 percent -- almost as high as the 95 percent in 2007.

Privacy: Comparing Concerns Among Non-users, Light Users, Heavy Users -- Looking at the views of non-users, light users, and heavy users shows that concerns about privacy of personal information decreases as Internet use increases. Looking at those who are very concerned or extremely concerned, non-users reported the largest percentage (76 percent), followed by light users (58 percent), and heavy users (42 percent).

Credit Card Information: Concerns About Security -- Concerns about credit card security when or if buying online have been high among all respondents in all of the Digital Future studies. Among all respondents in the current study, 93 percent reported some level of concern about credit card security when or if they buy online -- about the same as the 94 percent reported in 2007.

Buying Online: Effects on Traditional Retail Purchasing -- A large and growing percentage of online purchasers continues to report that their purchasing online has reduced their buying in retail stores. In the current study, 69 percent of Internet users who buy online said that online purchasing has reduced their buying in traditional retail stores somewhat or a lot -- up marginally from 67 percent in 2007

Do You Click on Web Advertisements? -- In a series of new questions in the current Digital Future Project, Internet users express strong negative views about advertising online -- both through their limited use of it and in their opinions about it. More than half of Internet users (52 percent) said they never click on Web advertisements, and only six percent do so sometimes or often. Users are even less enthusiastic about purchasing decisions based on Web advertisements; 61 percent of Internet users said they never buy products that they learned about from a Web advertisement.

Online Advertising vs. Paying for Internet Content -- Although Internet users express strong negative views about advertising online, they prefer Web ads to support Internet pages rather than personally paying for content. Fifty-one percent of users agreed or strongly agreed that they prefer having free access to online content that has advertising accompanying it (similar to television shows on commercial broadcasts) rather than having to pay for the content.

Communication Patterns

How Many Americans Are Using E-mail? -- Almost everyone who goes online uses e-mail (97 percent of all Internet users).

Regular Contact by E-mail -- E-mail users maintain weekly personal e-mail contact with an average of seven people in the current study, down from the peak of nine in 2006. Forty-nine percent of e-mail users said they maintain personal contact by e-mail on a weekly basis with five or more people.

The Internet and Social Relationships -- A growing percentage of Internet users said the Internet is important in helping to maintain social relationships. Fifty-two percent of users said the Internet was important or very important in helping them maintain their social relationships -- up from 45 percent in 2007.

Time Spent Socializing with Friends and Family -- The percentage of Internet users in the current study who said that they spend about the same face-to-face time with friends since being connected to the Internet remained unchanged from 2007, after two years of declines.

Are You Ignored Because of Television or the Internet? -- Significant percentages of Internet users said they were sometimes or often ignored because another member of the household spends too much time online (44 percent). An even higher percentage (48 percent) said they were ignored because others spend too much time watching TV.

Social Effects: Online Communities

Are You a Member of an Online Community? -- Fifteen percent of Internet users reported that they are members of an online community -- no change over 2007, and still the peak level so far in the studies.

Membership in Online Communities: How Long? -- Online community members continue to report increasing average time as members of those communities compared to 2006.

Types of Online Communities -- The largest percentage of users who said they were in an online community said their community is related to their hobbies.

Participation in Online Communities: Does It Affect Involvement in Offline Communities? -- Most online community members said that their participation in those communities does not affect their involvement in offline communities. However, a small but growing percentage said that this involvement has decreased their involvement in offline communities somewhat or a lot.

Online Communities And Social Causes

How much time do you spend participating in clubs or voluntary organizations? -- In general, Internet users reported spending more time in clubs or volunteer organizations than non-users -- a finding consistent in all four years this question has been asked in the Digital Future studies.

Participation in Online Communities Related to Social Causes -- Members of online communities reported high levels of participation in the social causes and non-profit organizations they are involved with on the Internet. Eighty-one percent of online community members in the current study said they use the Internet to participate in communities related to social causes -- up from 75 percent in 2007.

Social Activism and Participation in Online Communities -- A larger percentage of users in the current Digital Future study said their activism has increased since they began participating in online communities compared to 2007.

Children And The Internet

Internet Use: The Right Amount of Time for Children? -- For the fourth year in a row, the percentage of adults who said that the children in their households spend too much time using the Internet has increased -- in the current study, to 28 percent of respondents -- another new high for the Digital Future Project. A much larger and growing percentage of adults said the children in their households spend the right amount of time online -- a slight increase after the response to this question reached its lowest level in 2007.

Television Viewing: The Right Amount of Time for Children? -- In comparison to adults' views of the amount of time children spend online, a much higher percentage said that the children in their households spend too much time watching television.

Children Participating in Online Communities: The Adult View -- A slightly larger percentage of adults in the current Digital Future study compared to 2007 are comfortable with the participation of the children in their households in online communities.

Children and Time Spent with Friends -- Eighty-seven percent of adults said that the children in their household spend the same amount of time or more time with friends since using the Internet -- the same overall percentage as in 2007. The percentage of adults who said that their children spend less time with friends remains at its high point in the Digital Future Project.

Online Predators: Are They a Threat to Children? -- More than half of adults (54 percent) said that online predators are a threat to the children in their households.

Political Power And Influence

Is the Internet Important in Political Campaigns? -- Although the use of online technology in politics grew dramatically during the most recent presidential election, the percentage of respondents who think that the Internet has become important for political campaigns remains unchanged from 2007.

Is the Internet Important in Political Campaigns? (Users vs. Non-users) -- Among Internet users, 61 percent agree or strongly agree that the Internet has become important for political campaigns -- down marginally from 64 percent in 2007.

Is the Internet a Tool for Political Influence? -- Less than one-quarter of all respondents (23 percent) agree that the Internet can encourage public officials to care more about what people think.

The Internet: A Tool for Understanding Politics -- Half of all respondents agree or strongly agree that the Internet allows people to better understand politics.

Does the Internet Give People More Say in What the Government Does? -- When asked if using the Internet gives people more of a say in what government does, 25 percent of all respondents age 16 or older agreed or strongly agreed.

Voting Online -- Slightly lower percentages of all respondents in the current Digital Future study (36 percent compared to 37 percent in 2007) agree or strongly agree that they would be interested in voting online.

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