Community newspapers were impacted by the challenging economy but in a much smaller way than the industry in general, according to fourth quarter 2008 financial data collected by the trade associations Suburban Newspapers of America (SNA) and National Newspaper Association (NNA).

The SNA/NNA fourth quarter financial reporting group reports total advertising revenue at $428.7 million, a 6.6 percent decline from the same quarter in 2007. As a point of comparison, Glennco Consulting Group estimates an overall industry decline in fourth quarter advertising expenditures of 21 percent and many large companies have reported declines in excess of 20 percent.

Hundreds of daily and weekly community newspapers, representing more than 13.35 million in circulation with annual revenues of nearly $2 billion, participated in the SNA/NNA financial reporting group for the fourth quarter.

Reports conducted earlier this year by SNA showed a 2.7 percent decline for the first quarter of 2008 against the same quarter of 2007; a decline of 2.4 percent for the second quarter and a decline of 1.7 percent for the third quarter.

Again, significantly better results than the overall industry declines reported by the Newspaper Association of America of 12.85 percent, 15.11 percent and 18.11 percent respectively. Based on four quarters of figures from the SNA reporting groups, for full year 2008 the overall decline is estimated at 3.6 percent for community papers versus double digit decreases for the industry in general.

As these results from the SNA financial reports would indicate, community newspapers are not experiencing the massive ad revenue declines that are being felt by some others in the industry. In addition, they are not reducing staff in significant ways.

In fact, only half of the reporting companies had staff reductions in 2008, almost entirely through attrition. Indeed, with a focus on growth strategies, 26 percent of the reporting group launched new products in 2008.

“The declines in 2008 are clearly economy-driven,” said SNA President Nancy Lane. “Community papers are affected by the current economic downturn but they are not in a crisis; they are not experiencing massive layoffs and they are investing in the future.”

Once again, the variance explanations are economy-driven. Community newspapers are experiencing small declines in advertising revenue mainly due to classified categories that have been hard hit by the slumping economy. In many cases, they have made up much of those losses on the retail and preprint side.

Large retailers, for example, have added many community papers to their advertising buys in the last few years to increase their penetration in key markets.

Suburban Newspapers of America is a trade association representing over 2,000 daily and weekly newspapers in the United States and Canada.

Established in 1885, the National Newspaper Association is the voice of America’s community newspapers and the oldest national newspaper association in the country. NNA represents an industry that serves, informs, educates and entertains more than 60 million readers every week from Main Streets across the nation.