

NATIONAL PRESS CLUB LUNCHEON WITH VIVIAN SCHILLER

SUBJECT: WHAT PUBLIC BROADCASTING CAN LEARN FROM COMMERCIAL MEDIA,
AND VICE VERSA

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DONNA LEINWAND: (Sounds gavel.) Good afternoon and welcome to
the National Press Club. My name is Donna Leinwand. I'm a reporter at *USA
Today* and I'm president of the National Press Club.

We are the world's leading professional organization for journalists. And
on behalf of our 3,500 members worldwide, I'd like to welcome our speaker and
our guests in the audience today. I'd also like to welcome those of you who are
watching us on C-Span.

We're celebrating our 100th anniversary this year, and we've rededicated
ourselves to a commitment to the future of journalism through informative
programming, journalism education, and fostering a free press worldwide. For
more information about the Press Club, please visit our website at www.press.org.

We're looking forward to today's speech, and afterwards, I will ask as
many questions from the audience as time permits. Please hold your applause
during the speech so that we have time for as many questions as possible.

For our broadcast audience, I'd like to explain that if you hear applause, it may be from the guests and members of the general public who attend our luncheons, and not necessarily from the working press.

I'd now like to introduce our head table guests and ask them to stand briefly when their names are called. From you're right, Knight Kiplinger, editor in chief of Kiplinger Publications; Jamila Bey, freelance broadcast journalist and former NPR editor; Marilyn Geewax, senior business editor for National Public Radio; Antoine Van Agtmael, chair of the NPR Foundation and a member of NPR's board of directors and a guest of our speaker; Abeer Abdalla, a reporter for *VOICES Magazine*, and chair of the NPC Young members committee; Paula Kerger, CEO of PBS and a guest of the speaker.

Skipping over the podium, Melissa Charbonneau, freelance producer, News Hook Media and vice chair of the Speakers Committee. Skipping over our speaker, Andrew C. Schneider, associate editor, Kiplinger Washington Editors, and Speakers Committee member who organized today's event. Thank you very much Andrew. Pat Harrison, CEO, Corporation for Public Broadcasting, and a guest of the speaker; Gene Kuleta, editor, Latin American Advisor newsletters, Inter-American Dialogue; Gloria Minott, host of "Metro Watch" for WPFW, (Pacifica Radio); and finally Ken Mellgren, manager/affiliate relations for Associated Press Broadcast and chair of the NPC Broadcast Committee.

Spring is still more than two weeks away. We remain gripped in bitter cold and biting winds and a massive snow storm today in Washington, D.C. But there's one major landmark that we've already passed, pointing to our warmer days ahead, and that is the National Public Radio's first pledge drive of the year is over.

As the tone of that recent pledge drive had made plain, there's a real concern that the state of the economy will affect people's willingness to donate. Revenue shortfalls have already taken a toll on NPR. In December, the organization announced plans to reduce its workforce by seven percent and to cancel two of its programs - *Day To Day* and *News and Notes*. That doesn't include the cuts NPR member stations are making for the same reason. Layoffs have hit stations as far removed as WBUR in Boston and WBEZ in Chicago, and right here in Washington, WETA.

Commercial radio is hardly doing any better. As evidence, we need only look at the state of Clear Channel Communications. In 1995, Clear Channel owned 43 radio stations in 32 markets. By the year 2000, it had expanded its holdings to over a thousand stations around the world. But last year, radio advertising tanked. In January, Clear Channel's new owners, Bain Capital

Partners and Thomas H. Lee Partners, announced plans to cut \$400 million in costs. That included nine percent of the company's workforce, or 1,850 jobs.

But radio has been through tough times before and survived. It's all too common these days to hear comparisons of our current economic straits to the 1930s. For radio, those years were a golden age. Now radio has far more competition for people's attention today than it did then, courtesy of television and the Internet. But it's also far richer and more diverse than it was seven decades ago. Public and commercial radio alike will need to draw on those common strands to grow in the years ahead.

Joining us today is a woman who is in a unique position to discuss what public and commercial media can learn from each other. Vivian Schiller previously served as senior vice-president and general manager of NewYorkTimes.com, as senior vice-president and general manager of the Discovery Times Channel, and as senior vice-president of CNN Productions.

Her documentary and series productions have won multiple honors, including two Peabody Awards, two Alfred I. duPont Columbia University Awards, and five Emmies. This January, she became president and CEO of National Public Radio, overseeing all network operations, including partnerships with 800 plus member stations reaching more than 26 million listeners every week. So please join me in a warm National Press Club welcome to Vivian Schiller. (Applause.)

VIVIAN SCHILLER: Thank you, Donna, for that very uplifting introduction. Before I start, I just want to acknowledge a couple of people in the room, aside from Donna. No, I really did appreciate your welcome in all seriousness. And that is some of my colleagues from across Public Broadcasting, Paula Kerger, who's the president and CEO of PBS, Pat Harrison, who is the president and CEO of the Corporation for Public Broadcasting, Antoine Van Agtmael, who, as you heard, is a member of our board and the head of the NPR Foundation, a very important institution for us, also my colleagues from WAMU. They are the ones that executed and survived that recent pledge drive that Donna referred to.

I have several colleagues here from NPR. And I really appreciate their presence. And lastly, my husband, who has braved the drive from-- Phil Frank, who's braved the drive from Bethesda to be here.

After eight weeks on the job-- I started January 5th-- I may be the newest person in the room to public broadcasting. As Donna mentioned, I've been in commercial media for more than two decades, in TV, both at CNN and at Discovery, and in print and digital media at *The New York Times*.

I've been really fortunate or have always chosen to be part of companies that have a strong public mission, public service mission at their center. But nonetheless, they all share the characteristic that they are commercial companies who, at the end of the day, are beholden to shareholders. So this is my first experience, not only in radio, but in a non-commercial organization, a place that funds itself, depending on the day of the week, either for survival or growth, but is on its own, but is beholden to no financial stakeholders.

And just in the short time that I've been on the job, many people have asked me, you know, what do different forms of media have in common, other than, as we heard, a very difficult economy? Who does what better? How is it different? Who has the better model? There's no simple answer to that. But I do have some observations that I'd like to share with you, and that's what I'm going to focus on today.

I have, for the sake of symmetry, sort of five lessons going one way and then five on the other. So I'm going to begin by discussing what I believe, again, based on my eight weeks of experience and observations, what I think NPR and perhaps public radio and perhaps public broadcasting can learn from commercial media.

Number one is more bottom line thinking. Certainly for a publicly-traded company, the attention of Wall Street can lead to very short-term thinking, which could sometimes lead to very bad decisions. And that is not something that we ...(inaudible). But it also leads to a very rigorous, ongoing evaluation of the business and its returns. And I think that is something that certainly we at NPR and across public radio, perhaps across public broadcasting could do a better job at.

Too much money sometimes is spent on too many programs, on the local and national level, that aren't really effectively reaching an audience. Sometimes we do things because we've always done them without stopping to think, if we were inventing this today, how would we do it differently? And I think that this is something that, again, certainly across public radio, we could learn from our brethren in commercial media.

The second lesson I think is a sense of urgency, some might call it fear. Public radio has never, in my opinion, faced the major disruptive challenges that commercial media has. We certainly are in radio, and we're going to talk about the power of radio a little bit later. But TV and newspapers I think have faced in their history much more dramatic disruptive challenges than radio has. Certainly AM to FM was one, but not on the scale of, you know, radio back in the old days to television, television to broadcast television to cable, et cetera.

And of course now we are all in it together and facing digital media. When I say facing, embracing digital media. But we could become more nimble and innovative in this sense. The third is a focus on audience. Commercial media (you know, and I'll specifically use the example of television news; most of what I'm talking about has to do with news in journalism) is very, very-- pays a lot of attention to audience ratings, to a fault. Again, too much attention can be a bad thing, when I believe that, as journalists, we should not be so beholden to the, you know, 15-second segmentation of how audiences are behaving, that we craft everything down to that level. We need to follow our gut. So being too obsessive can be a detriment to journalism.

On the other hand, I think we could do a much better job listening to our audience, asking our audience what they think, and serving the audience the kind of programming that they want and they deserve and they expect from us. Again, it's a balance as journalists. There are stories that the audience would never think that we would want, and that we're going to give it to them. And that level of serendipity should never be lost. And I think it does go too far in some areas of cable news. But we should pay more attention to the audience.

The fourth lesson that NPR can learn from commercial media is, to do a little bit better job in reaching diverse audiences. At NPR, in terms of NPR programming, in many ways, we reach very diverse audiences when it comes to political orientation. That was a delightful surprise to me, just coming from other news organizations. We've all been, you know, both at CNN and *The New York Times*, there are always claims, even if they're unsubstantiated, and at NPR, of bias in one direction or another. But our audience is remarkably almost perfectly balanced for people who self-declare themselves as conservative, conservative leaning, liberal, or liberal leaning.

But we are not doing a good enough job in reaching people of color and other diverse groups. I mean, I will point to CNN as doing a very good job. It has grown its African-American audience by 35% this year through its programming efforts. And they're doing it, not purely out of public service, but because they realize it's good business. Public radio, certainly it is our mission to serve all audiences. We don't do it just because, well, gosh, we think we should, but because we must. In reaching audiences, we must reach a greater diversity of listeners.

And the fifth thing I think that NPR and public radio can learn from commercial media is to not be so shy about shouting from the hilltops what we have. I think we do not do nearly a good enough job promoting and marketing ourselves. You know, I almost get the sense when I have conversations about this that there's a reticence, that there's something a little bit unseemly about saying, "You know what? We do this really well. Our audience appreciates it." We have

an astounding audience. In fact, I'm not going to be reticent and you're going to hear me talk a little bit about that audience with no shyness whatsoever in a couple of minutes.

But, you know, promoting and marketing yourself is not just a matter-- is not purely self-serving. It's also a service to the listener to help them. Marketing and advertising exists for a reason; it helps people to make informed choices. Obviously they look at advertising as distinct from news reporting, no question about it. But it's part of the service that we should provide. And I think we can do a better job.

I've been doing a number of media interviews. And John Friedman, who writes the Market Watch column-- You know, I went on-- I'm generally, by nature, a very sort of hyper-caffeinated person, as those of you who work with me and those of you that live with me know. But in my interview with him, I was going on about, "NPR, we do this," blah, blah, blah. And in his column, he called me a carnival barker, which at first I thought, "Gosh, couldn't he say 'enthusiastic advocate' or something?" But, you know, I decided carnival barker's okay. And if carnival barker's what it takes, then so be it.

Now, I'm going to turn the tables a little bit, and tell you, based on my observations, what I think NPR and public radio has, and, in some cases, public broadcasting has that commercial media, having just come recently from that world, would kill for.

Number one is our audience. You know, I think the audience factor, which really came home to me when my job was announced-- It was beginning of November, the announcement went out. And it got a bit of coverage on NPR obviously, and *The New York Times*, and several other places. And I heard from just about everybody that I'd ever known. I got a lot of voicemails. And I got over a thousand emails from people that I've known through various stages of my career, because I've moved around a little bit.

First of all, it was very nice, of course. And I spent my month off in December answering every one of those emails. But as I read through them, something really profound struck me. Which is, they were all the same, in the sense that, the first sentence of every email was something that said, "Oh, congratulations. I'm happy for you," you know, blah, blah, blah. And then the second sentence, and the rest of the email, every single one was an expression of what NPR-- and when I say NPR, even people that say NPR don't really know-- I mean, they say NPR. They could be listening to a show from PRI, APM, from their local broadcaster. They really mean public radio. So please understand that I interpret it that way, but what NPR means to them.

And it was always very, very, very personal. It was a show that they planned their commute around, or it was a story that touched them and actually motivated them to action, or it was a reporter or an anchor they have sort of a natural obsession with — whatever it was, it was very intimate. And it was almost a sense in each one that, “This is mine.” The writer, for each of these emailers, “NPR is mine. It belongs to me.”

And I realized what we have that is so extraordinary is a relationship with our audience, and a huge audience (I’ll mention that in a minute) that has a relationship with us, not just on an intellectual level, and certainly do, but on a very emotional level. And that is a powerful thing. I know of no other media company that has sort of that connection in the head and the heart that public radio does.

And by the way, in huge numbers — 26 million people tune into some NPR program through, of course, their local station on a weekly level. That is more than the top circulation of the top 50 U.S. newspapers combined. That’s a lot of people. *Morning Edition*, just to give you a couple more statistics about what an impact we have-- And this is where that carnival barker comes in, so forgive me. *Morning Edition* has a larger audience than any of the network morning shows. The next biggest one is *The Today Show*. And our audience is 45% bigger than *Today Show* viewing.

Car Talk is more than twice as much-- so, as we say, we’re not just serious stuff, so I’m going to compare *Car Talk* to less serious stuff. *Car Talk* is twice as big as the audience for *The Daily Show* and *The Colbert Report* combined. That’s pretty powerful. And it’s growing. So there’s audience.

Brand is the second thing. You know, with the possible exception of *The New York Times*, I really know of no other media company that evokes the kind of brand loyalty that NPR does as an entity. There’s certainly forms of media, other branded media that have larger audiences. Facebook has 175 million active users, which is a mind-blowing number. But I don’t think anybody goes, “God, I love Facebook.” They love their connection to other people. It’s not an affinity for the brand.

You know, and in other broadcast medias, it’s really sort of, in the case of television, it’s the show. You know, the most successful show in the history of broadcast news is *60 Minutes*. And there’s a lot of loyalty to *60 Minutes*. But that’s not helped CBS with their other shows, necessarily. People don’t think about CBS. They think about *60 Minutes*.

NBC’s successful morning and evening shows have loyal audiences...(inaudible) I already mentioned. But they’re really of no help to the

primetime lineup that has been in fourth place for the last-- for years. So the loyalty there is to shows. With us, the loyalty is to the brand, which is very powerful.

The people in public broadcasting, we are a small army. Actually, we're not even small army. We're a large army. There are 8,000 people that work in public radio. That's across NPR and all of our stations. If you add public television to that, the total goes up-- Excuse me, did I say eight million? I meant 8,000. That was really-- Eight thousand people. Eight million? That would be something. If you add public television to it, that's 23,000 people. Let me tell you something I know by experience. Nobody in public media is there because they think they're going to get rich fast, or even slow. They're all motivated by the mission. If we can all be working together, which is another issue we'll get into later, this is a very, very powerful force, again, unrivaled by anyone else in media.

Fourth is the business model. And I'm going to take a minute on this, because there's been a lot of talk in the media ('talk', I say that figuratively) blogs, what have you, columns in *The New York Times* and elsewhere, about the not-for-profit model, and whether-- And some think that maybe commercial media should adopt that model, particularly newspaper. First, a lot of the information that's out there, I can tell you, is erroneous. And even where it's not erroneous, I think personally that it is a mistake for newspapers to think that their answer to the issues, the tragic issues that are facing newspapers today lies in the business model of public radio.

First, let me just explain really, really briefly what our business model is, on a very top line level. NPR, sixty percent of our revenue comes from programming, programming fees and membership from the station. We have endowment income-- Excuse me. We have distributions from our endowment. We have gifts from philanthropists. We have money that comes to us from institutional foundations like the Ford Foundation and the like. And all of those together equal another-- what?-- twenty-five, twenty-six percent, a little bit more than that.

We have underwriting and sponsorship. In the commercial world, we call that advertising, although-- It is advertising. It's got certain rules around it that make it a little bit different, both on radio and online. And lastly, we do have some funding through the Corporation For Public Broadcasting. For NPR, that is less than one percent directly from the CPB, which is funded by the government. Stations who fund us are funded a level, about thirteen and fourteen percent.

So if you take those apart, what's there that commercial media can-- that can help commercial media? I think frankly, not much of any of them. Endowments, first of all, are not a silver bullet. We are fortunate to have an

endowment that is anchored by a very large gift from Joan Kroc, for which we are very grateful. But an institution like *The New York Times*, for example, according to my own back of the envelope calculation, which I'm not a financier, but I would think that it would have to be likely in the range of \$5 billion dollars or more.

Donations, sure. If newspapers want to experiment with sort of tip jars on their websites, I think that's fine. I see no reason why there's a problem with that. But I don't believe it's really going to move the needle. Newspapers are now, as you know, looking at reinstating the paywall on their sites after some of them took down. I have a personal connection to this, which is when I went to *New York Times*, I actually was the person that ended Times Select. And now they're looking at putting parts of it back. But, you know, it's all right. You know, hard times call for difficult measures.

And then there's government funding, you know, whether it comes through CPB or others. I don't believe that for news organizations, that is a path that they should take for reasons of independence. You know, for us, it's a little bit different. The CPB money supports the platform. Originally, it supported the creation of the platform. We will potentially be seeking further funding for the stations, for the platform, but not for journalistic coverage. And so I want to be very clear about that.

So moving off the business model, so the answer is, is there something in there that commercial media can learn from public radio? Yes, certainly they can learn. But I don't think it's the answer.

And finally, the fifth element of what I think NPR has that commercial media would love to have, and perhaps the most important of all, is our national local system. This is really the secret sauce of public radio, and I think for public television in a similar way.

I could tell you in every place that I've ever been, we would have killed to have-- Or, excuse me, I shouldn't say that. We would have been very happy to have the kind of, you know, in the case of public radio, national newsgathering powerhouse with 17 bureaus, in this country and around the world, supplying national/international news, and affiliations with local entities in every single city, state, and campus in America. This is a tremendously powerful asset. And it is tremendously powerful for us if we can figure out a way to work better together. I'll get back to that in a second.

So given all these lessons going either way, what do these lessons tell us in terms of the future of NPR, which is, of course, what I represent? And I'm going to leave commercial people alone and let them solve their own problems for

the time being. And that is, if we take this incredibly powerful brand that I've talked about and the audience that is public radio, and we add into this stew the kind of bottom line orientation, the good part of the bottom line orientation from commercial media, and the urgency or the fear that this is an opportunity right now in these economically difficult times, like never before, and a moment that may not last, and we apply into this the fact that we are a national and local system that it is today, to me, that is an incredibly powerful thing. And it brings me, frankly, and many of my colleagues at NPR (we spend a lot of time talking about this) to the inevitable conclusion that we must branch out into other platforms.

Now, let me just be really clear. This is not a repudiation of radio, not at all. Let me say that again. Radio is our heart and our soul of our organization. It is where most of our audience is. And frankly, having been, now having worked in every single one, now including radio, of the so-called legacy media, I can tell you that I think in many ways, radio is the most resilient because of the way people use radio. You can't use radio in the way that you use other forms of media. So it is complementary to other platforms. We will continue to invest in it. It will continue to be the center.

So want to make sure that that is really clear. But at our core, we are a content company whose increasingly rare strength, frankly, in the world of journalism is the quality of our original worldwide news, information, and cultural programming. And it is our responsibility, I believe, to deliver that to the audience however they choose to consume it, not the way we want them to consume it, but how they want us to consume it-- Yeah, okay, you got that. Anyway. This comes back to the whole audience thing.

You know, I look back, because I'm new and I don't have the history from the beginning of public broadcasting, I look back at the Public Broadcasting Act of 1967 to try to sort of understand, well, why was public broadcasting created in the first place? And when you read all the reasons, it really makes a lot of sense. Because we were filling a void that at the time was truly a void in terms of quality programming on television and elsewhere. And we remain, of course, the only source of free quality programming.

But I was looking at it and thinking about, well, what does it have to say? Or what might the new-- If we were writing it today, what might it say today that would give us some guidance of where we need to go?

So I'm going to try this line out on you, okay? All right? So here's the line. Tell me what you think afterwards. We must consider new ways to build a great network for knowledge, not just a broadcast system, but one that employs every means of sending and storing information that the individual can use. That's

the line. Sounds very digital, doesn't it? Sound like somebody that's worked in digital media, comes out of Silicon Valley.

I didn't write that line. That was Lyndon Baines Johnson. Actually it was Bill Moyers, writing for LBJ. But he spoke the words. And it was part of the original Public Broadcasting Act. I don't have to tell you, it sort of knocked my socks off when I saw it. It's almost like they were anticipating the Internet before Al Gore invented it. But what they did was anticipate, I believe, everything, the need for us to reach out to our audience in every platform that exists.

So what do we need to do with this? Running out of time, so I'm going to move quickly through them. Number one, we must collaborate as a system on our journalism. We don't collaborate all that well. When we do, it works great. But there's a lot of room for improvement. I'm talking about NPR with public radio stations, with public television, with other not-for-profits outside the system. There are wonderful homegrown new public media entities that are springing up like ProPublica and Ground Report and other innovators. Maybe even with newspapers — we need to band together. Because those 23,000 people is really a powerful force.

Number two, we need to step up our newsgathering. This is not a time, while we're cutting elsewhere, that we can shrink from our responsibility. The audience tells us they want their public radio stations to cover their communities the way NPR covers the world. We need to help the stations that don't have the resources to cover their communities. And we will. We particularly need to strengthen on a local and national level an investigative journalism. Who, on a local and state level, will hold public officials accountable in a world where local newspapers are dying? We're quickly seeing this year many communities that have no local newspapers. And frankly, that is what newspapers-- investigative journalism is what newspapers do best. We need to step into that void.

We must become a network on every platform — websites, mobile, and any way people choose to use us. Every station, every public radio station should have the support from NPR and others to become as indispensable online or on their iPhone or whatever it might be as they are in radio. And we need to figure out a way to count it and tell everyone what a powerful audience we have.

And lastly, we need to bring our audience into the dialogue. We have those passionate people who care so much and feel like they own NPR. They're a pretty extraordinary demographic. I know the same is true for public television. They have things to say. We can bring them into this process. We should become, not what we are today in our traditional media, of the one to many, but the many to many, many to many in terms of station to station, citizen to station, station to

citizen, citizen to NPR. We should become a true network in the little ‘n’ sense of the world.

People think they own us anyway. So let’s bring them into the conversation. NPR’s role in this in terms of this kind of expansion is to enable, to help galvanize these changes. We do not want to control. We do not want to dominate. We do not want to bypass our message to audiences on the local level. We don’t want to put local public radio websites out of business. We actually want to put ourselves out of business in the sense that we will have morphed into a constellation of sites on the local level, fed with national and international news, the services that we can provide, and become the kind of powerhouse on the digital level that we are in radio.

It’s part of our mission. Bill Moyers, I mean LBJ, said it himself. We have challenges to overcome. One is technology, although frankly, I think that’s the easiest part. The second challenge is the economy. I think it works for us on some levels and that we are going to feel a renewed sense of urgency, works against us, in that in digital media, the revenue models are nascent, to say the least. And we have the challenge that I mentioned earlier, which is, we’re not great at working together.

But we have the urgency now. And I believe that this is going to be our unique opportunity to rally together and serve the American public in ways that we do so well. So we have these challenges. We must overcome them. We will overcome them. We must embrace change, and we need to tell everybody about it. That’s all I have to say. Thank you. (Applause.)

MS. LEINWAND: Come up here.

MS. SCHILLER: I get to do the gavel?

MS. LEINWAND: If you want to play with the gavel—That’s my only prerequisite. (Laughter.)

MS. SCHILLER: I know.

MS. LEINWAND: Thanks. So, all these plans sound very grand; expanding the news gathering, having a better news gathering. How do you do it in an atmosphere of layoffs, in declining resources, pledge drives?

MS. SCHILLER: Well, you’re right, that is a challenge. And NPR, as you mentioned in your opening remarks, is not immune from economic difficulty. We’re still facing it, at least in the short term. We will likely have to make some more trims in the year ahead, as well many of our stations. But what this causes us

to do is rethink the business model. This is where coming together as a system comes into play. There is, I believe, in terms of revenue that will support all these initiatives coming into public broadcasting, there is revenue that we're leaving on the table by not working together. There is, by working together on the local and national level, we can increase our underwriting, we can have a better story to tell for philanthropists who are still making major gifts. We can reach audiences on the local level via NPR's website and others to raise membership levels that will benefit the stations.

And we're looking now to create that kind of paradigm shift so that we can increase the revenue. I think we do have a short-term issue, I want to not sugar coat that at all. We will have to make some trims, but if we begin to turn the ship around now, in another 18 months, even if the economy doesn't come back, although that would be great if it did, we'll be able to start changing things around to be able to support these kind of initiatives.

MS. LEINWAND: A member of our audience asks, "NPR has spent so much of its resources on online aims. Can you continue to do so without abandoning your audio base product?"

MS. SCHILLER: Well, we have to. We have to. Of course, we're not going to abandon our audio base products. But we cannot shrink from our digital efforts. This is the classic, you know, Clayton Christiansen moment, *The Innovator's Dilemma*. For us to put our head in the sand and pretend that people are not using other forms of media, and that we don't have a role to play shame on us. I think it is not only an opportunity for us to serve our audience in a better way, but it's our responsibility as part of our mission to serve our audience with our coverage in any way that they choose to consume it. We have to continue to invest, so we are not doing to divest in digital media one iota.

We do have a challenge in trying to figure out, in the case of NPR, how we capture the quality of what we call internally NPRness (sic) that you all recognize when you listen to the radio, that remarkable, unmistakable sound that when you're turning it on, "Okay, that's a public radio station, those are some NPR programs," or, you know, PRI or APM programs. We have to figure out how to capture that same quality in other media, but we'll figure that out.

MS. LEINWAND: Have you thought of putting quick text transcripts of all NPR programs online soon after they're broadcast?

MS. SCHILLER: Yes. We'd like to. Actually, it costs—We do have transcripts of our programs. In terms of quick test, I think that's where technology will help us. Obviously in a budget crunch, it's hard to invest in things like that.

But I think the technology's getting better and better that this will be able to be done on an automated level. So, we're looking into that.

MS. LEINWAND: You mentioned that when you were at the *New York Times*, you were the one that removed the wall on TimesSelect. Why do you think that was a good idea? Do you think NPR should charge a fee to access news stories on its website while offering them free on the radio?

MS. SCHILLER: Well, first of all, NPR has to provide our content free. That's part of our charter, it's part of our mission and we would not dream of charging people for it. So with respect to NPR. With respect to the *New York Times*, it was absolutely the right decision at the time, I think it's still the right decision. I was actually over the weekend in recent contact with high level executives at the *New York Times* and I was sort of joking around, "Oh, I guess I'm being vilified there." They said, "Not at all. Everybody still thinks it's the right thing."

You've got to grow your audience. Look, the business models for news websites is very difficult. But this is where you got to remain strong and you've got to remember that at the end of the day, you must provide news to your audiences where they're going to consume it. If news organizations—Like I said, for NPR, we're always going to be free. But speaking on behalf of my newspaper brethren, I know a lot of them are going to pay. I think that it's a mistake. They may increase their revenue a little bit, but it'll flatten out. And because there are other news providers that are free, the risk of shrinking relevance is a big one. What the business model is is a really tough one. I think you're seeing a shakeout in the news industry, and perhaps it's time, frankly. It's a difficult medium, that's where NPR, I think, needs to come in and fill in around the edges where newspapers are going away. But we're looking at a transformative moment. I think we'll look back and say that 2009 was a turning point for newspapers. But I think that they should keep their content for free now.

MS. LEINWAND: You mentioned cooperating with your local public radio stations and TV stations. What about closer cooperation between NPR and BBC for covering overseas news in the wake of the economic downturn with the shrinking foreign bureaus? Is that something that NPR could do?

MS. SCHILLER: Well, there actually is already great cooperation with the BBC. PRI has a relationship. PRI, for those of you who don't know, is another distributor of programs. They're not part of NPR, but they serve programs to the larger public radio family. And my interest, and those of my colleagues at NPR, is the larger public radio family. They do have programs with the BBC, The World, and others. So a lot of BBC content is being made available to American audiences. And I haven't had a chance to meet with my colleagues at BBC. I had

back in my other jobs, but in this position I will always look at ways we can expand our services and work together.

MS. LEINWAND: NPR's arts unit was eliminated a few years ago and there is a marked de-emphasis of long-form stories. Why is this so? Is this not what has made NPR so important in the public discourse?

MS. SCHILLER: We actually have a very strong arts unit in our news group, we continue to cover the arts. So somebody, I'm sure, will correct me afterwards and tell me what that's referring to. I apologize that I don't know, but we do most definitely have an arts unit, an arts programming. And we are looking in various levels of discussion right now to increase our arts coverage because it's one of the sort of the central pillars of what we provide our audience with some of our member stations to see that we can expand it. But, we're not shrinking from that.

And our music programming online, on NPR.music is very strong. It's become sort of this little cult darling in the music industry and with many listeners.

MS. LEINWAND: What are some of the elements of your own experience with television documentary work? Would you like to see more or see—Or see more of in NPR's radio documentaries?

MS. SCHILLER: That's an interesting one. I mean, one of the wonderful things about working in television documentaries for me, and it was always this source of jealousy with my colleagues when I was at CNN in the newsroom who were, you know, doing news of the day, was to have the time to really tell the story right. And at NPR, that's part of the culture and part of the way we report to news, which is we take the time. You don't have the same kind of constraints that you do certainly in broadcast news, or even in cable news. We really take the time to tell the story right.

So, I would think that to expand it, we even have stories that run 10, 12 minutes on occasion. So, part of what the attraction to me of NPR, and one of the reasons I'm so delighted to be here and I want to continue to support, is to not sort of fall prey to this—Again, this comes back to the downside of audience research. That, "Oh well, you know, focus groups have shown, or studies have shown, that people's attention after one minute and 47 seconds, so pieces made—You know, shouldn't be longer than that." We'll always take the time. I think that's part of the reason why those 25 million people listen to us.

MS. LEINWAND: I wonder what happened to that last 13 seconds on that two minute thing? (Laughter.) So, speaking of audience, does NPR think of

itself too highly? Is that smart and highly educated label holding the company back because it's seen as too highbrow and exclusive?

MS. SCHILLER: I'm sorry, but I disagree with that. First of all, as I said, I think we don't think of ourselves highly enough. Maybe it's, you know, being inside the building and there's a sense of—I don't think we, in public radio, really understand the power we have.

In terms of the highbrow, we're actually not—Yeah, I would say that the greatest indicator of listenership to NPR is education. We certainly have a highly educated audience, and with that comes greater affluence. But this is one of the fantastic things about radio that I just didn't really appreciate until I came on board, and I'm so excited about it, is because people, because of the nature of radio and listening to it in your car, we really reach a very, very wide ranging kind of audience. You know, people driving trucks, now many of them may be highly educated and wealthy, I'm not disparaging truck drivers, but a lot of them might be listening to NPR where they wouldn't necessarily be reading the *New York Times*.

So, no. I mean, this is the carnival barker in me, but I don't think we think too highly of ourselves. I think we need to be more, you know, promoted. We shouldn't be snobby, and I think if you listen to our programs, I don't think they're elitist. Certainly, they appeal to very curious people. But you don't have to be a Ph.D. candidate to appreciate it.

MS. LEINWAND: I'm fairly certain truck drivers make more money than journalists. (Laughter)

MS. SCHILLER: That's true.

MS. LEINWAND: Anyway, tell us about your younger listeners. What are you doing to attract listeners younger than the current average age of 50?

MS. SCHILLER: Yeah, it's a very good question and one that, you know, I've certainly grappled with every place I've ever worked. Because, you know, in news, generally speaking, the average age is between the mid-40s to the mid-50s unless you're cable news, in which case you're in the 50s or 60s. And the question is always how do you reach younger audiences? And I know that the team, before I arrived at NPR, of course they've been dealing with this issue for years.

First of all, the good news is our audience is not aging. People are aging into NPR, so that's a good thing. I mean, we can't rest on that. But if the audience

were truly aging, then obviously that's a little bit self limiting in terms of our future, needless to say. But people are sort of growing into NPR.

On the other hand, it's part of our mission, and certainly it's good business practice, coming back to that whole bottom line thing, to try to reach as diverse an audience as possible. My personal belief is the way to reach younger audience is not by a bunch of us old fogies sitting around NPR and creating programming for young people, it doesn't work. It's completely a—I've been part of attempts to do this in the past, there have been attempts at many other organizations. It's not authentic, and as young people, I'm sorry, I just feel like a funny expression, but will tell you they can smell inauthenticity (sic) a mile away. So it doesn't work.

To me, we have to continue to keep doing what we're doing with NPR radio, continuously improve, of course. Storytelling is sort of ageless, so we've got that strength for us. But the way we reach people is not to dumb down or not to pretend we're hip or cool, although in many circles are hip and cool. (Laughter) But to reach people in the platforms that they're using. Our average Podcast age is considerably lower than 50s. I think it's in the early 30s, somebody in the room will correct me, something like that.

So we have to create an NPR experience wherever somebody wants to consume it. We have to go to where the audience is using media, not have them come to us. We need to make sure that we have a good NPR experience on Facebook. Again, it doesn't mean doing something dumb or lowering our standards. It just means that we should be discoverable wherever audiences choose to use it because that's where the younger demographic is.

MS. LEINWAND: Speaking of the younger listener, “The Daily Show” and “Colbert” are bringing news and issues to the under 40 age group. Can NPR get someone funnier and more impolite—And more impolite—

MS. SCHILLER: More impolite?

MS. LEINWAND: To get the interviews and get the younger folks and those who would like some harder-edged news?

MS. SCHILLER: Well, I think the Tappet brothers and our host and contributors on “Wait, Wait, Don't Tell Me,” have moments of impoliteness. So—I'm sorry? (Laughter.) So, you know, we do—We're not humorless. And if you listen to even just our programming in our news magazine, I think we're pretty much not humorless there, either. I think the image maybe is more stodgy than the reality for some people. I'm a huge fan of “The Daily Show.” I watch it on TiVo almost daily. I think he does—Actually, he is committing acts of journalism in between parodies. I think his interviews are about as good as I've

seen on any newscast. So, I think it's terrific. And like I said, with our shows, "Wait, Wait, Don't Tell Me," which is, for those of you that haven't heard of it is a—Not really a parody, but it's a news quiz that's pretty funny. So, we're in that realm with a larger audience. (Laughter.)

MS. LEINWAND: Declining listenership was cited for shutting down "News and Notes," "Day to Day," and "The Bryant Park Project." Yet, NPR has claimed increased listenership since 2000. Can you give us some actual numbers?

MS. SCHILLER: I don't have the actual numbers to the decimal point in my head, I'm sorry. But we do reach over—NPR programs reach over 25—I can't remember the exact decimal point—But over 25 million listeners each week. What that means, very specifically, you are counted if you listen to five consecutive minute of an NPR program some time during the week according to—Diary entries are now in cities that have it, the personal people meter. So that's the definition. That's pretty strong. If you count listenership to all of public radio, because there are many programs on public radio that don't come from NPR, they're local programs, they're programs, as I mentioned, from PRI and from APM, that is over 30 million people that tune in for five minutes each week.

So, I can't remember the exact decimal points. But those numbers are correct, and we're just getting in our numbers from the fall. And not surprisingly, I mean, every media organization has had its usage up during the incredible news events of the fall, the double whammy of the implosion of the economy and the campaign and the election. So I think we'll be soon announcing record levels, all-time record levels, as well.

I cannot emphasize to you enough how extraordinary—I have to say part of it is what you're seeing is my own surprise, not really knowing this, from someone that's so experienced—Has really had a lot of experience in media coming in, I was shocked. That's why I'm saying we don't promote it enough. I consider myself pretty well informed about the media, and I was shocked by these numbers. You know, the *New York Times* has extraordinary loyalty and at the *New York Times* we counted someone that was loyal as someone that subscribed to—Kept their subscription to the newspaper for more than two years. Because once you hit the two year mark, we pretty much have you for a long, long time. That's 700,000. We're talking about now 25 million. You know, *New York Times* on the web, I want to give credit where credit is due, brings in 20 million unique visitors each month. But, those 20 million people are not driving the lion's share of the page use, and that's the case with almost all other news organization websites.

MS. LEINWAND: Okay, so moving on to some questions about diversity. Somebody from the audience asks, and I am not sure if he's predicting

the apocalypse here, but three women now run all of public media. What does this mean?

MS. SCHILLER: I think it's great! (Laughter.) It means the world has finally come to its senses. Actually, we do have our little gang of four. What do we call ourselves? Yeah, the G4. Sorry, of course, we're very official, which is the heads of PBS, the head of CPB, the head of NPR and also the head of APTS. And the head of APTS is a man. We've decided that we like him and we're still going to have dinner with him, he's wonderful.

MS. LEINWAND: But you didn't invite him.

MS. SCHILLER: I think he couldn't come. I knew we did invite him, he couldn't come. I'm sure we invited him. He's a great guy. (Laughter.)

MS. LEINWAND: You mention that public radio could do more to attract diverse listeners. How do you plan to do this?

MS. LEINWAND: Well, that's a good question. The answer is we need to reflect in our main programs. Again, I have the same feeling about this as I do about reaching younger audiences, which is you don't create sort of a special place going, "Okay, here's our program for diverse audiences, you go there." Others, you know, in some cases that's fine, but I don't believe that that's the answer for broadening our reach. What we need to do is reflect the full spectrum of our listenership, or our potential listenership, in our main programs. Our main programs that most people listen to are "Morning Edition" and "All Things Considered." And in those programs, both in the staffing of those programs, in the stories that we tell, in the guests that we interview, we need to make sure that we are constantly thinking about a diversity of audience.

So rather than just have a special program that is just for African-Americans, or a special program that is just for Latino listeners, we need it to be represented in the fabric of everything that we do. Have we done a good enough job? No, we have not. But we are going to keep trying until we get it right.

MS. LEINWAND: Okay, following up on that, Tavis Smiley and Ed Gordon, now ex-hosts of the canceled show, "News and Notes," Farai Chideya, all leveled against NPR the charge that the company was closed to ideas that would attract more diverse listenership. Does that claim hold water? Why not?

MS. SCHILLER: Well, no. It certainly doesn't hold water for me, and based on the wonderful people that I work with, I just can't believe it held water with them, either. I know it doesn't now, but I can't imagine even prior to my arrival that was the case. Look, I'm telling you like it is. We haven't gotten this

right yet. We absolutely haven't gotten it right yet. "News and Notes" was canceled, and "Day to Day" were canceled because we had to make cuts in this economy and they just weren't reaching enough people. It did not have enough distribution through the entire—In terms of the number of stations that were airing the program. I think on a station by station level, we had pretty good listenership, but unless you have that kind of distribution and incredibly high listenership, it just didn't make sense. You know, I hate to put these things in actual terms, but the cost benefit analysis of the cost of reaching very few people, even though the shows were terrific—This had nothing to do with the quality of the shows or the quality of people who worked on, we just had to make hard choices and these were the hard choices we made.

We must again, though, continue to find a way. "News and Notes" was a program that had a great deal of orientation around African-American issues. We need to embed that in everything we do in a better way. "Tell Me More" is a wonderful program that has really picked up a lot of traction. It's dealing with a lot of issues of diversity, but we're going to spread it all across everything that we do.

MS. LEINWAND: Okay, moving on to money. How are NPR's corporate underwriting revenues holding up in the recession? And what about foundation grants?

MS. SCHILLER: Two different stories. Underwriting is down. It's down for everybody. I mean, this is the area that is most down for us, is in sponsorship, underwriting, advertising, call it whatever you want, just like it is for all of media. You know, I'm hesitating to use the word silver lining, that's not what I mean to say. We're down less than other people, not exactly—You know, we're down less than other newspapers in terms of print and in websites. This is not exactly something to celebrate at all. On the contrary, it's something to really bemoan. Plus, you can't—As our board chair says, what's his line? You can't spend relative to return. So, it doesn't necessarily help us in any way. But it's down.

You know, as I explained it, in several meetings with all of staff where they ask about why the drop was so precipitous, it really sort of makes sense. If you think about who our advertisers are, they're all suffering from the same economy that we are. And where's the first place you cut before you cut people? You cut your discretionary spending on advertising and marketing. I mean, when I was at the *New York Times*, I had a marketing budget. It's the first place I cut. So we were contributing, for example, to the decline in advertising, underwriting and sponsorship. Hopefully, it'll be the first thing that comes back, but it's tough right now.

In terms of institutional foundation grants, that's holding pretty steady. You know, the foundations, like everybody, are suffering in terms of their endowments. But, the support is very, very solid. We've been very pleased that institutional foundations have held steady. On a local level, membership pledge drives in many, many places—I don't know what the WAMU results are, but in many places are either steady or up, which shows people understand the value and the necessity to preserve what we do. So for all the bad news, there's good news.

MS. LEINWAND: So every speaker I've had here recently, we've asked what their share would be of the federal bailout. (Laughter.) So, what is the potential for increased funding from the federal government for NPR?

MS. SCHILLER: Well, we're not asking for increased funding from— Well, first, we don't get money directly from the federal government. We do get it from CPB, who is funded by the federal government. So, I mean, just to be really clear, so you can call that federal funding or not. We are not asking for additional funding for NPR. We are contemplating asking for additional funding on the local level for the local stations, but it won't be for NPR. Having said that, just to be purely accurate, it doesn't mean that we don't compete for grants from the CPB for specific projects, that's just the way it works, but there is no bailout request for NPR in our future.

MS. LEINWAND: There have been a number of high profile commercial media journalists who have made the transition to public radio in recent years. What have those commercial media veterans brought to the table that has shaped NPR's news programming since?

MS. SCHILLER: Just a diversity of voices, I think would be the best thing. I'm trying to think specifically individual cases, how to put some color on the answer. But I have incredible loyalty, and always will, to the *New York Times*. I actually have incredible loyalty to every place I've ever worked. Every place I've ever worked, it's been sort of heartbreaking for me to leave there and go on to the next opportunity. So, I just sort of carry it all with me. I'm still carrying the burdens of the *New York Times* with me. But newspaper reporters have a skill that I think is unlike any other form of media. Radio reporters that I have met, I have been blown away, have been spectacular. But to have the sort of diversity of the way people think in terms of text, in terms of audio and marrying those together, just makes us stronger, is really the best way for me to answer it.

MS. LEINWAND: NPR laid off in excess of 60 workers, but NPR is also moving to brand new digs in two to three years. Please explain how you can afford the new spot?

MS. SCHILLER: Well, the move in date is up in the air, for one thing. But we did—What's happened is earlier this year, before the—Actually, in some ways it was a very good thing that it happened before the economy went like this. We bought a—Well, it's a building that would become—That would be reconstructed into a new headquarters in—What do you call it? The Noco--? Nomo, thank you, Nomo—I got to get my neighborhoods right. And we sold our building at 635 Massachusetts Avenue. We were actually either really lucky or really good, or both, because we sold it at the top of the market and got a good price for it.

So now, the economy has gone down and we are evaluating our options about how we raise money for the new building, but we've got this nice cash buffer from the building that we sold and we're looking at time tables now and how we move forward with that. So, it's a challenge in this economy, but one building is sold, another is bought and we'll take it from there.

MS. LEINWAND: What do you make of talk about a renewal or comeback of the Fairness Doctrine?

MS. SCHILLER: I don't really have any comment on that.

MS. LEINWAND: Okay. Well, we're almost out of time anyway. So, we will wrap up here. Before we ask the last questions, I have a couple of important announcements. Let me remind our members of future speakers. On March 23rd, Terrence D. Jones, President and CEO of the Wolf Trap Foundation for the Performing Arts, will be speaking. On April 1st, we have Alma Powell, the Chairwoman of the Board of Directors of America's Promise. And April 7th, the Honorable Martti Ahtisaari, former President of Finland and the 2008 Nobel Peace Prize winner will address a luncheon. Second, I'd like to present our speaker with the traditional NPC mug.

MS. SCHILLER: This is something that NPC and NPR have in common, coffee mugs.

MS. LEINWAND: Oh, coffee mugs.

MS. SCHILLER: As soon as you get tote bags, you will have arrived. (Laughter.)

MS. LEINWAND: We'll consider the tote bag option. So for our last question, wave a magic wand, tell me what does NPR sound like in two years?

MS. SCHILLER: What does NPR sound like? I wish you asked me what does NPR feel like. NPR will sound much as it does today. I think one of the

things that is so unique and spectacular about NPR programming is that unique sound. It's intimate, it's inviting, it's smart, it's playful, it's all of those things. And that is not anything that we want to walk away from. But, it will also sound—You know, we will continue to innovate. We'll have more kinds of branded, innovative segments along the lines of "Planet Money," which has just been this wonderful, new invention and a sort of explanatory journalism effort that has really been very much embraced about understanding the problems of the economy.

And we will sound just as good in your car, on your iPod, on your cell phone, on your website, and in any other place that you choose to listen to us and choose to read us and choose to use us and choose to interact with us, choose to watch us, you name it.

MS. LEINWAND: Thank you very much. (Applause) I'd like to thank you all for coming today and braving the snow to be with us.

I'd also like to thank National Press Club staff members, Melinda Cook, Pat Nelson, Joann Booz and Howard Rothman for organizing today's lunch. Also, thanks to the NPC Library for its research. The video archive of today's luncheon is provided by National Press Club Broadcast Operation Center.

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For more information about the Press Club, please go to our website at www@press.org. Thank you and we are adjourned. (Gavel sounds.)

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