



## THE FUTURE OF PRINTING IN COLORADO

Working Group Findings and Exploration of Solutions



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## Acknowledgements

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This report would not be possible without significant contributions of time and expertise from Colorado publishers and printers—through the Future of Printing working group, individual conversations, and poll participation—as well as industry leaders and innovators nationwide. Due to the sensitivity of business information that they’ve shared, these contributors are not named individually—but we thank each of them for their significant support of this research and report.



## EXECUTIVE SUMMARY

For a number of years, local news publishers from across Colorado have raised concerns about rising costs, decreasing access, and quality challenges associated with commercial printing. These challenges were exacerbated by the COVID-19 pandemic, which spurred significant inflation that impacted the cost of printing, distribution and delivery charges, and the availability of paper. The August 2023 closure of Gannett’s commercial printing facility in Pueblo has only compounded matters in this difficult situation for Colorado publishers and printers.

This report is a short-term project that draws on primary research (e.g., interviews and surveys) and secondary research (e.g., published articles and academic literature).

### THE WORKING GROUP SET OUT TO REALIZE THREE CORE GOALS:

1

Gain a granular understanding and health check on the current state of printing in Colorado.

2

Source insights and data on how publishers and print media intend to respond to inflationary pressures and other challenges in the short- to medium-term.

3

Explore examples of best practice within Colorado and other states, to understand any interesting approaches currently being undertaken to mitigate challenges.

### KEY FINDINGS

- 1 **Colorado publishers are experiencing unsustainable cost increases for printing:** Colorado publishers have experienced double digit year-on-year rises in printing and delivery costs, with the sharpest increases in the past two years. This has been exacerbated by decreasing supply of printing options across Colorado. The state’s unique geography, with mountain passes closed over the winter, and distance from printers decrease the affordable options available to many publishers.
- 2 **Existing printers are at or near capacity:** Existing printers have indicated ‘some’ additional capacity to service new clients. Printers have faced sudden and sharp increases in raw costs (paper, ink, solvents etc.), which are being transferred to publishers.
- 3 **The August 2023 closure of Pueblo’s printing facility rocked the front range:** More than 80 Front Range publications were impacted<sup>1</sup> by the closure of Gannett’s printing facility in Pueblo. According to a survey of publishers impacted by the Gannett press closure, one title has closed as a direct result. Several others have indicated that they may switch to fully digital and/or cease all printed products. In at least three instances, publishers of multiple papers were forced to consolidate titles.
- 4 **Fewer printing options and continued cost increases are likely to bring additional newsroom closures:** The majority of publishers impacted by the Pueblo closure have identified alternative printing providers. These alternatives tend to be more expensive, temporary in nature, and further in distance from their circulation areas. If another printer in Colorado or an adjacent state were to close, a number of publishers have speculated that demand for printing services would likely far outstrip available supply. The concern is that this would create significant backlogs and potentially lead to the closure of a sizable number of titles.

<sup>1</sup> “Printing powerhouse: Pueblo commercial press serves over 80 media outlets across Colorado,” Pueblo Star Journal, published May 5, 2023. <https://pueblostarjournal.org/news/2023/05/05/printing-powerhouse-commercial-press-colorado/>





**5** — **Three pathways may help stabilize Colorado’s print publishers, who remain optimistic:** This report puts forth three potential avenues (not mutually exclusive) that could help reduce short- to medium-term pressures on publishers relative to sustaining their print products and related revenue:

- Forming a Cooperative for Printing and Delivery Services
- Adapting to New Printing Formats
- Printing Press Acquisition

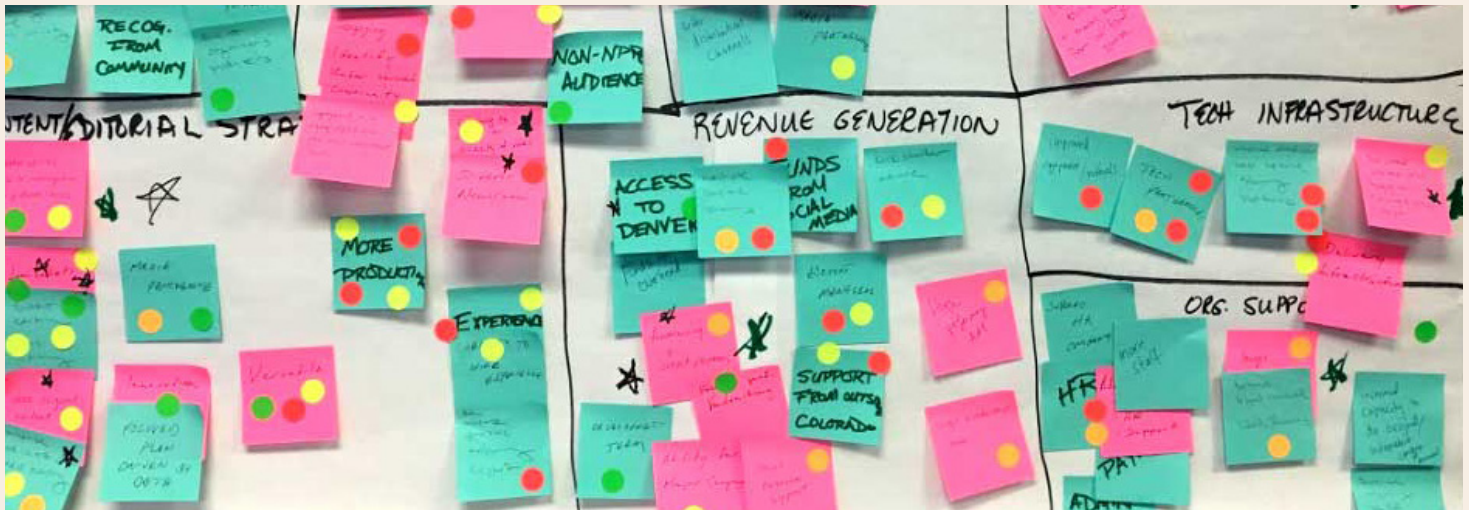
These approaches could be further explored, adopted individually, or grouped together depending on circumstances. However, no single approach represents a state-wide solution to the unsustainable trajectory of rising printing costs that publishers are facing. Despite the broader economic challenges of the last few years, Colorado publishers remain optimistic about the future. Over two thirds of respondents (68%) to a Future of Printing survey expect to see modest or significant growth in the coming three years.

**6** — **Digital innovation of local news is vital—but still in process:** The future of local media is increasingly digital, in terms of growing distribution, individual and institutional support, and revenues. However, a digital-first approach relies on the availability of ubiquitous high-speed internet access, which is not yet the case in Colorado. While the state aims to connect 99 percent of households to high-speed internet by 2027<sup>2</sup>, at present having a print product available in all Colorado communities remains vital in terms of equity and accessibility.

Further, to realize sustainability with a digital-first business model, publishers must leverage modern, robust content management systems that facilitate digital revenue opportunities and streamline online distribution. Some Colorado news publishers have already made or started this transition. Publishers also need support in converting advertising revenue streams towards a digital model, as current digital advertising revenues do not equal or exceed those generated by print.



<sup>2</sup> State of Colorado Broadband Office Mapping Hub, accessed Sept. 3, 2023. <https://broadbandhub.colorado.gov/>



## DISTILLATION OF RESEARCH

The findings presented in this section represent a fairly unique, holistic perspective of a statewide news ecosystem facing considerable challenges. The Future of Printing working group sought insights from both printers and publishers in order to understand some of the nuances contributing to increased printing costs. The working group also sought to better understand the short- and long-term financial outlooks of printers and publishers, and with regards to publishers, their capacity to adapt and maintain their operations.

### AVAILABLE PRINTING RESOURCES IN COLORADO

As of Fall 2023 (following the closure of the Pueblo printing facility), Colorado has seven printers within the state, and three in neighboring states that accommodate the majority of newspapers, including hyper-local publications and large metro dailies. Three printers located in adjacent states have absorbed the majority of Colorado publishing jobs since the Pueblo plant closure. Those out-of-state plants are in Cheyenne, Wyoming, Santa Fe, New Mexico, and Hutchinson, Kansas.

Colorado’s geography presents challenges to both publishers and printers. The state is split by the Rocky Mountains, making it essential that newspapers on the western side of the Continental Divide, the Western Slope, be printed in that part of the state. Approximately 33% of the state’s geography comprises the Western Slope.

Inclement weather, disrupted roads (rockslides and mudslides), and lengthy travel times require that the remaining presses on the Western Slope in Montrose and Gypsum remain viable to service papers within that landscape. Grand Junction—the largest city on the Western Slope, served by the Grand Junction Daily Sentinel—is no longer home to a newspaper press,

meaning even the local paper is printed more than 60 miles away in Montrose.

Colorado’s largest population center, the Front Range, lies on the eastern side of the Continental Divide, generally spanning from Fort Collins in the north to Pueblo in the south, and including the Denver metropolitan area. The remainder of presses that can accommodate newspapers or magazines are located within the Front Range. There are no newspaper printing facilities on the Eastern Plains of Colorado, which comprise approximately 50% of the state, stretching from east of the Front Range to the borders with Nebraska, Kansas, Oklahoma and New Mexico.

As has been highlighted and will be further discussed, the closure of Gannett’s Pueblo printing facility has had a sizable impact on a number of publishers across the state. More broadly, several publishers interviewed by the working group said that any further closures risk the emergence of a negative domino effect in which the available supply of printing services would far outstrip the demands of publishers. In turn, this scarcity would lead to printing delays and could jeopardize the financial viability and continued operations of many titles.



## Map A

Available printers following the closure of Gannett's Pueblo Facility



● IMPACTED PUBLICATIONS    📍 AVAILABLE PRINTERS





## RESULTS FROM SURVEY OF COLORADO PRINTERS

### Summary of Findings

In June and July 2023, staff and contractors from COLab and CPA interviewed four out of seven Colorado-based printing companies. The purpose of this survey was to understand how printers had been impacted by the COVID-19 pandemic and broader inflationary pressures. The views shared are representative of the printers who participated and not necessarily representative of all printers located within the state. The overview to follow provides a glimpse of the unique challenges that printers are facing in terms of managing rising costs of raw material, labor, maintenance, and delivery. viability and continued operations of many titles.

### Experience and Capacity

All four printers who were interviewed have been operating for 25 years or more. Two printers indicated some capacity to take on new customers, whereas one indicated no capacity. Another indicated significant capacity, yet only with magazine format.

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*In the time since the survey was conducted, which was prior to Pueblo's closure, all Colorado printers (with the exception of a few small openings) are at capacity.*

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Many small publishers impacted by the Pueblo closure have now moved to alternative printing solutions in Kansas and New Mexico with the assistance of CherryRoad Media, CPA and COLab, and peer-to-peer collaboration. Some of the larger publications or groups, including the Pueblo Chieftain and the 23 newspapers owned by Colorado Community Media, are now printing at the Denver Post commercial printing facility, owned by Alden Global Capital.

Other states, such as Nebraska, are experiencing similar if not more dire printing closures. As of July 17, 2023, Lee Enterprises shut down press plants in North Platte and Kearney and moved all of those operations to a printing facility in Grand Island. Another Lee Enterprises plant in Scottsbluff shut down in May 2023, and many of those publishers had to move to printing facilities in Rapid City, South Dakota.

Dennis Derossett, CEO of the Nebraska Press Association, stated that many publishers in the state have had to move to Wyoming, Iowa, and South Dakota due to printing facility closures. “We’re all facing the issue of {the} decreasing number of press locations. Combined with changing print scheduling, transportation issues and mailing deadlines, it poses major difficulties for many newspapers.”

### Financial Outlook

In terms of financial performance over the last three years, the four Colorado printers surveyed reported a mixed picture. One respondent reported significant growth, two indicated modest growth, and the final respondent reported a significant decline in revenues.

Conversely, when looking ahead to the next three years, all respondents were optimistic. Three anticipated modest revenue growth and one expected significant growth.

In terms of the biggest factors impacting operating costs over the last three years, all respondents indicated paper and labor. Three respondents singled out operations and maintenance costs as having a significant impact.

With regards to managing or mitigating these costs, all printers indicated that they have transferred increased costs onto their clients.

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*“If you want to hear a frightening story . . . we bought a truckload of UV coating coming from the East Coast. The truck got to Kansas and we got a phone call {from the supplier} that said our UV coating just went up 30%. We paid for the truck and it's in Kansas—and they said, well, we will just tell that truck to turn south and go to Texas because we have a printer down there that wants the UV. Or you can pay . . . more.”*

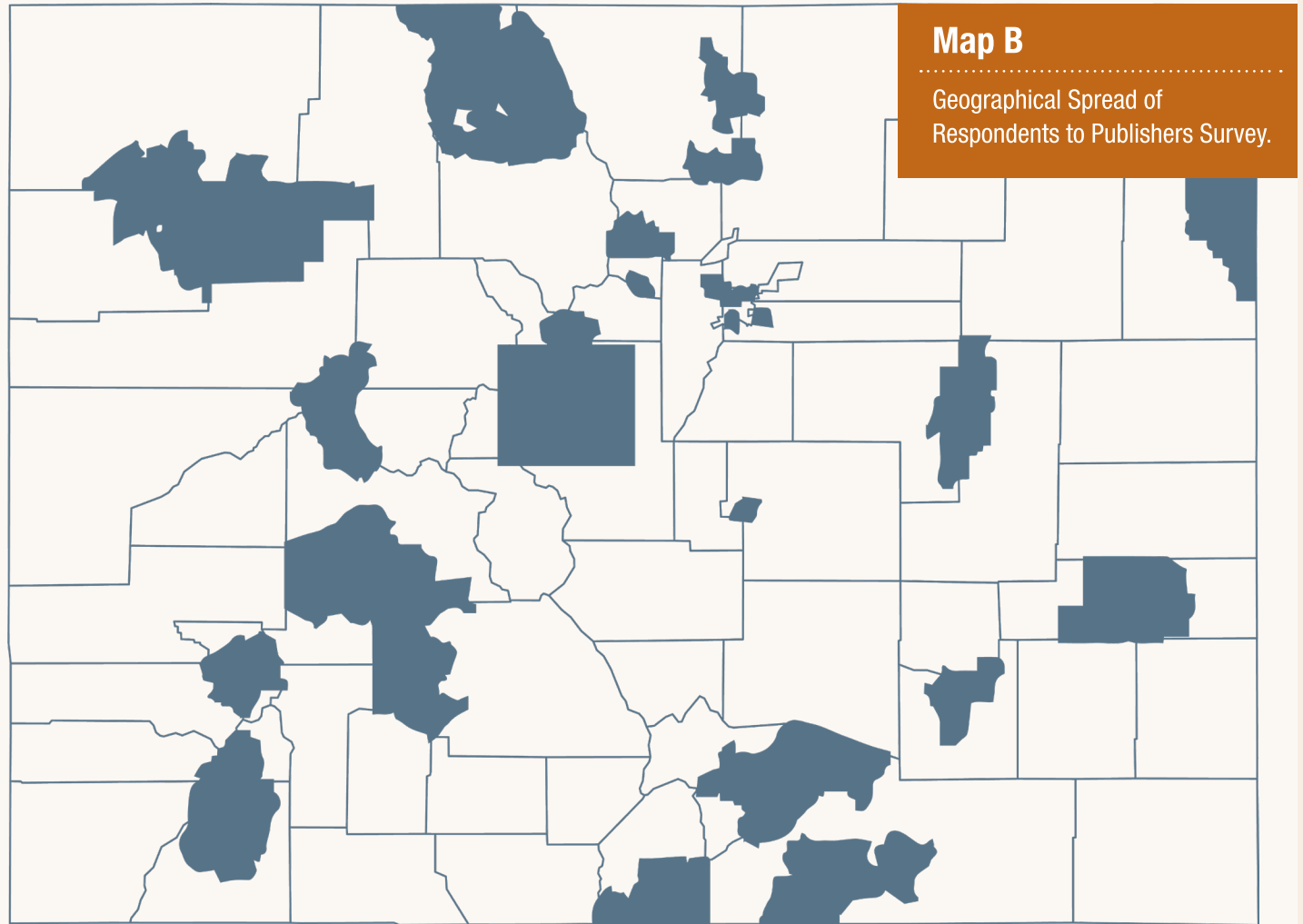
*—Quote from anonymous printer*



## RESULTS FROM SURVEY OF COLORADO PUBLISHERS

### Summary of Findings

In July 2023, CMP, CPA, and COLab distributed a first-of-its-kind survey targeted at local news publishers in Colorado. Its purpose was to gather a baseline assessment of the current state of local print media in Colorado. Additionally, the survey served as an opportunity to gain insights on the impact of the proposed closure of Gannett’s printing facility in Pueblo, which took effect in mid-August 2023. The survey included qualitative and quantitative components. It was shared with 300 publishers across the state and saw 29 responses (~10% completion rate).



With a limited sample of respondents in mind (29 out of a potential of +300, or an approximate 10% response rate), the findings from this survey are representative of the views of respondents. However, this cannot be extrapolated as being, and does not claim to be, representative of the collective views of publishers from across the State of Colorado.

#### THE SURVEY COVERED A RANGE OF KEY METRICS RELATED TO:

- Economic Outlook
- Business Operations of Publishers
- The Impact of Gannett’s Closure of the Pueblo Printing Facility

The key findings and results from this survey have been summarized on the following page.

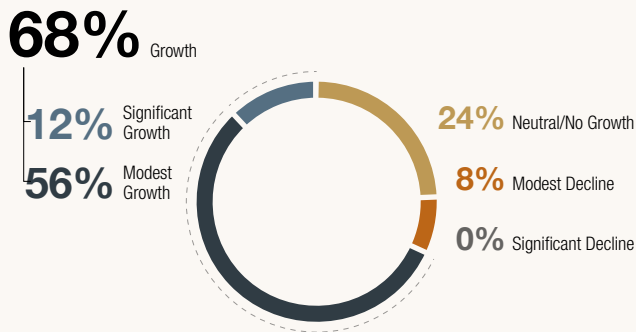




### Economic Outlook

Despite the broader economic challenges of the last few years, publishers remain optimistic about the future. Over two-thirds of respondents (68%) project modest or significant growth in the coming three years. The largest single group (56%) projected modest growth, with 12% of respondents indicating significant growth. In contrast, just under a quarter (24%) of respondents indicated neutral to no growth and ~8% anticipated a modest decline.

#### HOW DO YOU VIEW YOUR ORGANIZATION'S FINANCIAL OUTLOOK OVER THE NEXT THREE YEARS?



Answered: 25 | Skipped: 4

In terms of optimism among respondents, this is arguably more positive and stands in contrast to the trajectory of local print media in the broader United States. According to a 2022 report from The Medill School of Journalism, Media, Integrated Marketing Communications at Northwestern University, “The United States continues to lose newspapers at a rate of two per week.”<sup>3</sup>

### Business Operations

As part of this publishers survey, a number of questions were posed around business operations. The survey asked publishers about number of years operating, staffing, publication formats, composition of print and digital subscribers, and the demographics of subscribers.

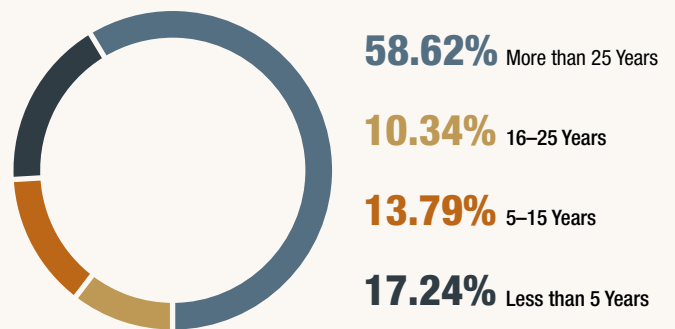
#### Age of Publications

Survey respondents tend to have long-established relationships with the communities they serve: The

majority (58.62%) have been operating for more than 25 years. This arguably reinforces the importance of these publications as being trusted brands that are deeply connected to the communities they serve.

The second largest group of respondents (17.24%) are relatively nascent and have been operating for less than five years. This could indicate that there is a healthy market and demand for local journalism in the communities served by these publishers.

#### HOW OLD IS YOUR ORGANIZATION?

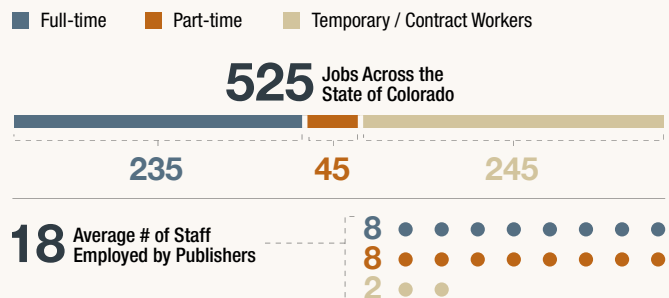


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#### Supporting Local Jobs and Employment

Respondents to the survey support a total of 525 jobs across the state of Colorado. This is broken down by 235 full-time employees, 45 part-time, and 245 temporary / contract workers. Responding publishers reported employing, on average, 18 staff members: 8 full time, 2 part time, and 8 temporary / contractors.

#### HOW MANY FULL TIME, PART TIME, AND CONTRACT/TEMPORARY WORKERS DO YOU CURRENTLY EMPLOY?



Answered: 29 | Skipped: 0

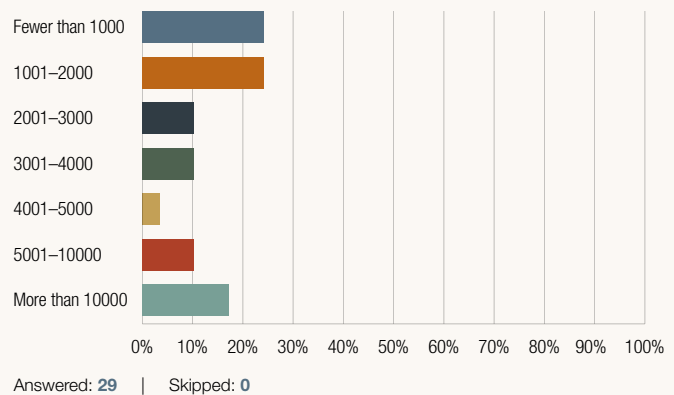
<sup>3</sup> Karter, Erin. (June, 2022). “As newspapers close, struggling communities are hit hardest by the decline in local journalism.” Northwestern Now.



### Distribution of Print Subscribers

Almost half (48.28%) of the publishers who responded to the survey serve 2,000 or fewer print subscribers. Just under one-third of survey respondents (31.03%) serve more than 4,000 print subscribers. These results support the notion of a hyperlocal approach among publishers, focusing on specific geographic communities. These community newsrooms are regarded as anchor institutions in Colorado’s statewide news ecosystem, as their original, locally focused journalism enhances local accountability of public institutions, promotes civic participation, and supports broader community cohesion.

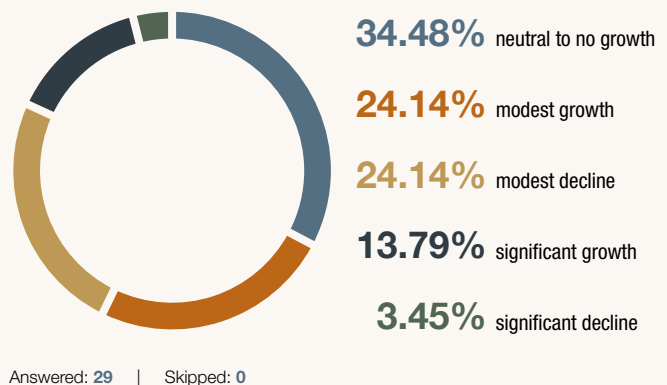
### HOW MANY PRINT SUBSCRIBERS DO YOU HAVE ACROSS ALL TITLES?



### Trajectory of Print Subscriptions

The largest single group of respondents (34.48%) indicated neutral to no growth. An equal proportion of respondents (24.14%) indicated either modest growth or modest decline. Approximately 13.79% of respondents indicated that they experienced significant growth, whereas 3.45% indicated significant decline. This indicates a somewhat negative outlook in the trajectory of print subscriptions over the last three years.

### HOW WOULD YOU CHARACTERIZE THE TRAJECTORY OF YOUR PUBLICATION/S TOTAL PRINT SUBSCRIPTIONS IN THE PAST THREE YEARS?

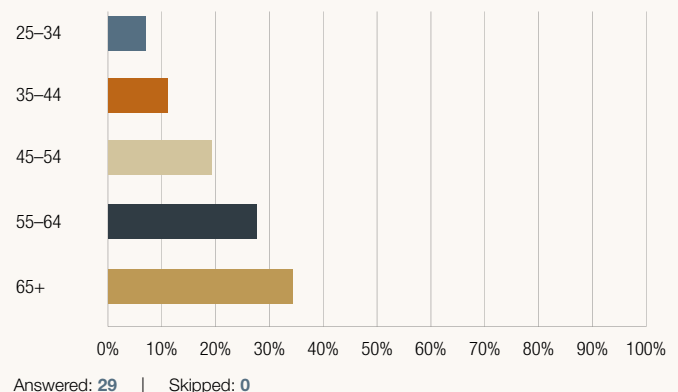


### Demographics of Print Subscribers

While most Colorado publishers do not collect demographics of their print subscribers, among the survey respondents that do (15 out of 29) they indicated that 62% of their print subscribers are 55 years or older. The largest single group was 65+, which comprises 34% of print subscribers among the publications that responded. The smallest group were 25 to 34 year olds, representing just 7% of print subscribers.

While a small and self-reported sample, this distribution of subscribers represents a potentially significant challenge for local publishers. Over-reliance on older age groups is likely to lead to attrition in print subscribers rather than growth.

### ESTIMATE YOUR NUMBER OF PRINT SUBSCRIBERS BY AGE GROUP.\*

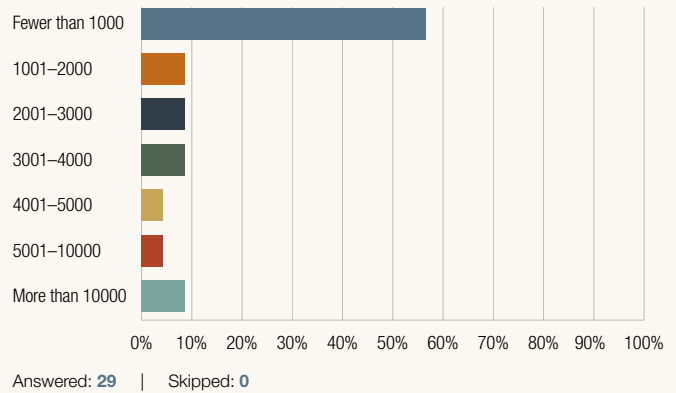




### Distribution of Digital Subscribers

Of the 23 respondents to this question, more than half (56.52%) indicated that they have fewer than 1,000 digital subscribers who pay for news online. The remaining respondents were fairly evenly distributed between the different ranges.

### HOW MANY DIGITAL SUBSCRIBERS DO YOU HAVE ACROSS ALL TITLES?



### Trajectory of Digital Subscriptions

In contrast to print subscriptions, 62.07% of respondents reported seeing either modest or significant growth in their digital subscribers over the past three years. The largest single group of respondents (44.83%) saw modest growth, while 6.9% of respondents indicated a modest decline, and no respondents experienced what they would characterize as significant decline.

This indicates that digital subscribers are a growing market for respondents compared to print subscribers. However, the modest volume of digital subscribers among many respondents indicates a need to accelerate digital transformation to drive subscriber growth in these markets.

### HOW WOULD YOU CHARACTERIZE THE TRAJECTORY OF YOUR PUBLICATION/S TOTAL DIGITAL SUBSCRIPTIONS IN THE PAST THREE YEARS?



**62.07%**  
modest or significant growth

**44.83%**  
modest growth

**6.9%**  
modest decline

### Digitization

Only 10% of survey respondents publish in print only, whereas 90% publish in both print and digital formats. Of those respondents that do offer a digital service, more than half (58%) have a paywall, and the remaining 42% of respondents do not. 83% of respondents offer a digital replica (eEdition) of their publication, whereas 17% of respondents do not. rather than growth.

Overall, this suggests that the vast majority of those surveyed have to varying degrees implemented some level of digital strategy. However, findings indicate further investment and development of digital offerings are much needed and represent the biggest potential area of growth for respondents.



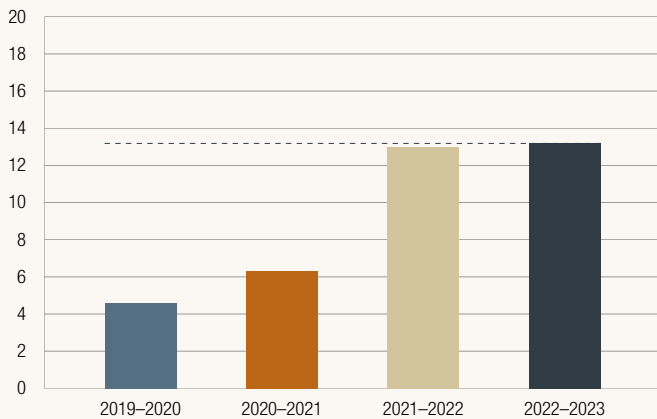




### Printing Services

The largest single group of respondents (44%) have worked with their printing supplier for one to three years. More than a quarter (28%) indicated that they had worked with their supplier for 10 years or more. For the last two years, publishers have seen double digit growth of an average of 13% year-on-year increases in printing costs. Responses varied considerably, from a -12% decrease in printing costs to a 75% increase in a given year.

### ESTIMATE YOUR ORGANIZATION'S PERCENTAGE (+ OR -) CHANGE IN PRINTING COSTS IN THE FOLLOWING FINANCIAL YEARS.

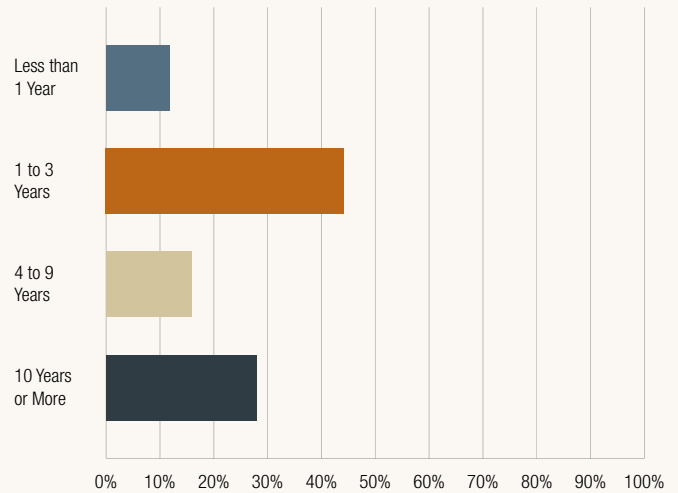


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This demonstrates both the variance and volatility experienced by many publishers as they have sought to identify both short-, medium- and long-term solutions to their printing needs.

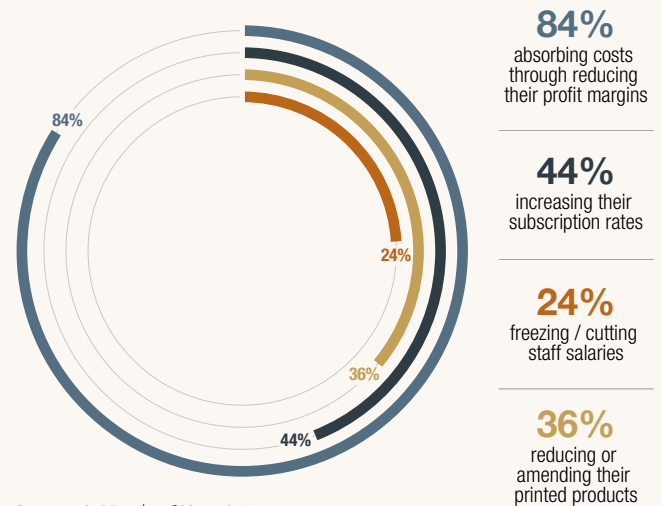


### HOW MANY YEARS HAVE YOU BEEN WITH YOUR PRINTING SUPPLIER?



Answered: 25 | Skipped: 4

### IN THE EVENT THAT PRINTING COSTS ARE INCREASING, HOW ARE YOU MANAGING THIS?



Answered: 25 | Skipped: 4

The majority of publishers (84%) have managed increased printing costs through absorbing costs and reducing their profit margins. Approximately 44% of respondents reported increasing their subscription rates; 36% are reducing or amending their printed products; and 24% are either freezing or cutting staff salaries. Other notable approaches included increasing advertising rates. However, all of these tactics for managing increasing costs are only so elastic (i.e., there are limits to the level of operational efficiencies that can be achieved and the price subscribers and advertisers are willing to pay).



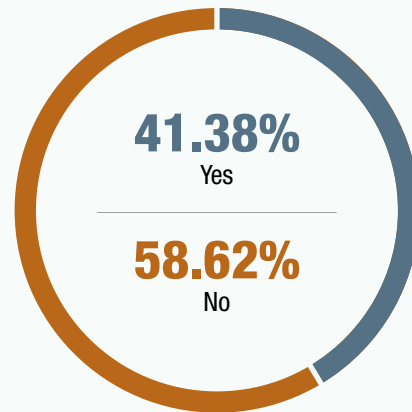
### THE IMPACT OF GANNETT’S CLOSURE OF THE PUEBLO PRINTING FACILITY

The closure of the Pueblo Printing Facility impacted 12 of the 29 (41.38%) respondents to the Future of Printing survey. Of the publishers impacted, more than two-thirds (66%) have identified an alternative service provider. Of those who have identified a new printing provider, three-quarters (75%) have indicated that this relationship is more expensive. Just over half of those impacted (54.55%) only have a short-term or ad hoc relationship with their new printing provider (i.e., informal with no contract in place). Only one respondent to the survey had secured a long-term contract with another printing provider. Finally, seven out of the 10 respondents indicated that their new printer is further away in distance from their circulation area, ranging from additional 80 to 230 miles.

This demonstrates that the closure of Gannett’s facility has had a significant impact on a sizable proportion of respondents to the survey, increased operational costs for many, and left others in a potentially precarious contractual relationship with their new providers. However, it is important to note that another perspective shared by publishers is that they have purposely opted for a short-term non-contractual relationship with a new printing supplier as they seek to work out a longer-term strategy and arrangement that best meets their needs.

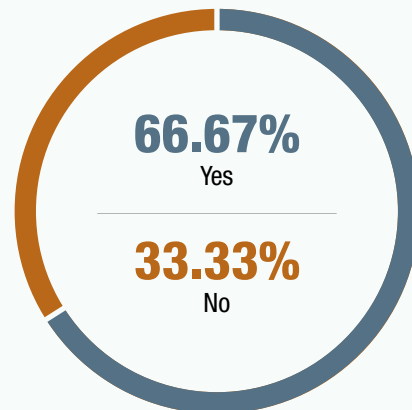


### THE PLANNED CLOSURE OF GANNETT’S PRINTING FACILITY IN PUEBLO?



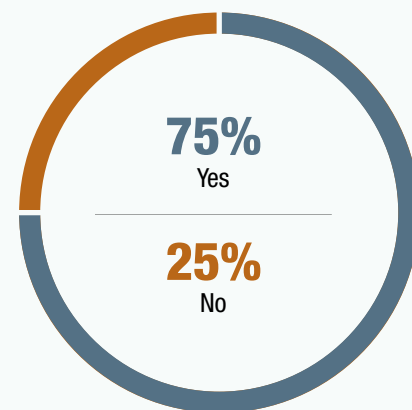
Answered: 29 | Skipped: 0

### HAVE YOU SECURED AN ALTERNATIVE SERVICE PROVIDER TO MEET YOUR PRINTING NEEDS?



Answered: 12 | Skipped: 17

### IS YOUR NEW PRINTING SERVICE PROVIDER MORE EXPENSIVE?



Answered: 8 | Skipped: 21



## OPTIONS FOR SUSTAINABILITY

Below we have explored three sample approaches that have been deployed and/or recommended as possible opportunities to help reduce the impact of rising printing costs. As has already been highlighted, these approaches largely represent short- to medium-term options for consideration. Depending on the circumstances of publishers, they can be viewed as standalone approaches or could potentially be deployed in conjunction with one another.

### FORMING A COOPERATIVE FOR PRINTING AND DELIVERY SERVICES

*Working informally or formally with other publishers to leverage in-state and out-of-state printing and delivery services.*

#### Overview

There are a range of opportunities for publishers to partner with one another informally and formally. Across Colorado, many print and digital newsrooms already develop and promote shared content for subscribers. The notion of extending this to shared operations or shared services is not new in Colorado, but yet to be deployed.

For some time, there have been discussions among different publishers across the state about potential partnerships that could be forged around consolidating and sharing back office functions. This includes a shared services approach to accounting, payroll and benefits, procurement and contracts, legal, print and digital advertising sales, subscriptions, and more. To date, these discussions have not translated into concrete plans. A potential stumbling block has been much of these discussions have focused on a single

shared services model that would solve for a sizable proportion of publishers across the state. Such an approach requires significant upfront investment and coordination in order to set it in motion.

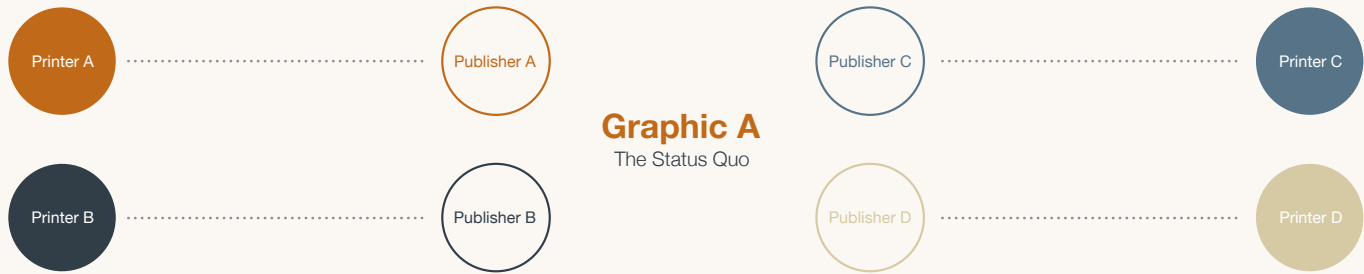
However, there is a more decentralized approach to shared services which could be developed and piloted in Colorado. This approach does not require significant funding or upheaval. Specifically, clusters of publishers who are located in the same or adjacent regions could explore the potential of joint procurement, focused solely on printing and delivery services. By pooling publisher needs and jointly commissioning printing and/or delivery services, this could achieve greater economies of scale and cost savings.





### Sample Shared Services Model For Printing and Delivery

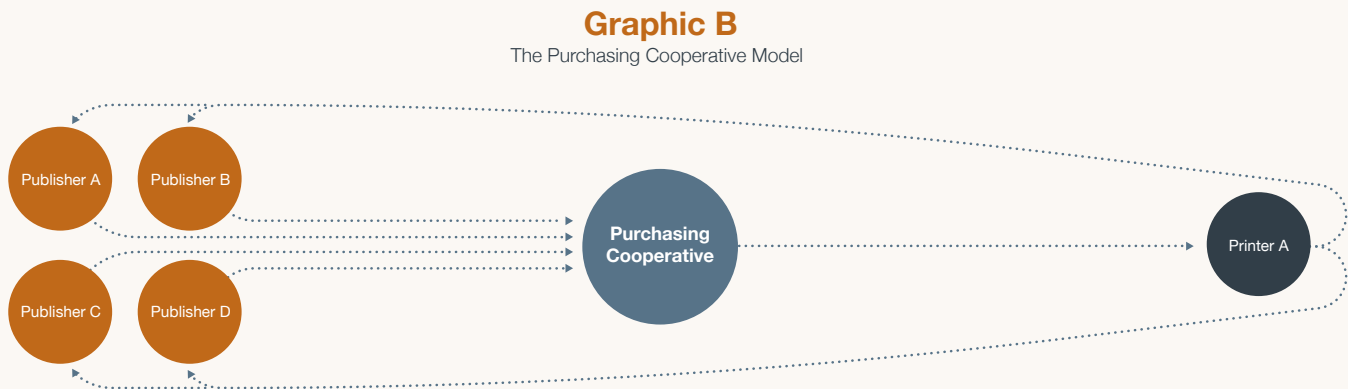
Currently, many publishers operating in the same geographical region independently contract with printers to meet their printing needs. Publisher A contracts with Printer A and so on (See Graphic A).



### Purchasing Cooperative Model

According to the National Cooperative Business Association, “In a purchasing cooperative, groups of businesses in the same industry form a collective unit to buy supplies and services.”<sup>4</sup> Purchasing Cooperatives are member owned and operated. The business members of a purchasing cooperative work together to agree their collective needs into a single agreement and/or contract. On behalf of the member companies, the cooperative then tenders for multiple bids from suppliers and/or directly commissions a service provider to meet its members needs. Members pay their share of contract obligations into the Purchasing Cooperative, which then directly pays the service provider, who in turn provides services to the member companies.

The purchasing cooperative model has been used by federal and state governments and the agricultural industry for decades. It is an effective mechanism through which to share risk, pool collective resources, and achieve greater economies of scale.



<sup>4</sup> National Cooperative Business Association (2023) Purchasing Cooperatives. <https://ncbaclusa.coop/resources/co-op-sectors/purchasing-co-ops>



## Considerations when Forming a Purchasing Cooperative

- Identify like-minded publishers in your near or immediate vicinity who would benefit from sharing and printing and delivery services.
- Ensure all potential members' values are in alignment with one another.
- Consider working with publishers of a broadly similar size in terms of revenues and/or printing needs.
- Purchasing Cooperatives are democratically organized on the basis of one member one vote.
- Potential members should meet to discuss and map out their collective printing and delivery needs.
- Potential members should explore whether further economies of scale and cost savings could be achieved through harmonizing their operations (i.e., utilizing the same paper, sizing, and frequency of printing).

## ADAPTING TO NEW PRINTING AND PUBLICATION FORMATS

*Publishers scaling down the level and frequency of printed products, while simultaneously scaling or speeding up digital transformation.*

### Overview

The stark reality is that paper, ink, and printers' operational costs (labor, maintenance etc.) are all increasing year-over-year, and these costs are being directly transferred to publishers. As such, publishers either have to absorb these costs and/or transfer them on to advertisers and print subscribers. This is exacerbated by local print media subscriber demographics that tend to skew towards an aging population, with many titles experiencing subscriber attrition and not enough net new growth.

At a certain point in time, the status quo will become unsustainable for many publishers—and without an appropriate digital offer in place—Colorado could face closure of an increasing number of local print titles.

The combined approach of reducing and reformatting print runs, while simultaneously scaling up digital transformation, is not without its challenges for publishers. It has potential implications for publishers' relationships with advertising clients and requires a willingness to embrace change on the part of print subscribers. None of these challenges are insurmountable, and as such this approach should be considered a viable option for publishers seeking to maintain a premium printed product against a backdrop of rising costs. Additionally, through digital transformation, this approach is the most long-term in its outlook, seeking to develop new revenue streams through growing digital subscribers and digital advertising revenues.





## New Printing Formats and Cost Savings

Based on the recommendations of a number of printers in Colorado, and the experience of one publisher—El Comercio de Colorado, a bilingual multi-platform publication based out of Denver—there are tangible ways to drastically reduce printing costs. The three main variables that impact printing costs are summarized below.

### Printing Frequency

This is a tried and tested means of reducing printing costs. There are numerous examples of publications switching from daily to weekly, and weekly to fortnightly or monthly. Many who have transitioned to a monthly format have relaunched as a magazine.

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*It is important to note that printing frequency does have a material impact on the type of reporting, which is a major consideration.*

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For example, dailies are synonymous with breaking news, whereas weekly and monthly publications are more reflective by design. However, as has been alluded to, a key means of bridging the divide is investment in digitization. Specifically, news websites, eEditions, and e-newsletters, all of which serve as vehicles through which to share breaking news.

### Paper Size

Multiple printers who were interviewed encouraged publishers to work with their existing printers to explore lower cost options. In particular, much of the discussion revolved around paper size and type.

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*According to one printer who was interviewed, the most automated print sizes across the industry are 8 and 3/8 by 10 and 7/8 in.; 6 by 11 in.; or 5 and 3/8 by 8 and 3/8 in.*

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On the basis of a printing press being charged at a per hour rate, these formats offer significant efficiencies in terms of optimizing the number of pages they can print using the aforementioned size options in a single hour.

### Paper Type

Most newspapers are printed on standard newsprint, which has a relatively short lifespan and low brightness. Standard, mechanical pulp newspapers are widely available and the most economical for publishers.

Other publishers (including the one whose experience is detailed below) rely on high-bright newsprint routinely, or for special editions. High-bright has increased opacity, better print quality and could enhance reader-experience. Additional paper options include recycled newsprint and a hybrid product that is a mix of standard and recycled pulp products.

Pricing standards for newsprint factor weight, type and brightness, and fluctuate frequently based on market conditions, country of manufacture, and transportation expense. Pricing is most commonly quoted per metric ton. In late 2022, the metric ton price of regular newsprint was approximately \$900. High-bright typically has a 10% to 30% premium over regular newsprint. Those prices dipped some in 2023, yet still are cited as a significant cost to publisher overhead.







## CASE STUDY

### EL COMERCIO DE COLORADO

El Comercio de Colorado is a Denver-based bilingual (English and Spanish) news website and free fortnightly printed newspaper that, until mid-August 2023, printed at the Pueblo facility. To adapt El Comercio's business operations following the closure, the publisher updated both its paper size and type to fit the press at its new printing facility, transitioning from 17 inch height on high-bright paper to 11 inch height on newsprint. The decision also was taken as a means to protect and future-proof the publication's financial health.

*"We have adapted by embracing . . . change proactively. We invested time in understanding the market shift and the preferences of our readers and advertisers. This enabled us to make a smooth transition to the new size and paper type while ensuring that the quality of content remained high. Adapting also involved coordinating with our production and distribution teams to ensure a seamless transition without disruptions to our readers' experience."*

*—Jesus Sanchez, Publisher, El Comercio*

#### Transition and Communication

El Comercio took a methodical approach to the transition, by maintaining the overall structure, sections, and layout to maintain continuity for readers; proactively engaging advertisers and media buyers; coordinating with production and distribution teams; and integrating new typeface and line spacing. To communicate the change to its readers, El Comercio spearheaded an information campaign. This included a commercial featured on Telemundo, engaging influencers via social media channels, and participating in radio interviews to communicate about the change in format and rationale for this.

#### Diversification of Services and New Revenue Streams

El Comercio has been proactive in identifying revenue diversification and new revenue streams. In particular, the publisher is offering text and video content development services to advertisers. The publisher has also expanded operations to serve as a media buyer, and help advertisers place content on other media outlets

in Colorado. Finally, the publisher is actively applying for grant programs that support editorial activities, reporting on health, local issues, and strengthening communities and civic participation.

#### Benefits of the Approach

Through the changes, El Comercio has been able to increase revenues and engage a broader geographical and bigger readership—printing an additional 1,000 copies per print run and sending more copies to the Northern metro areas and southern Colorado. Publisher Jesus Sanchez reports the change has benefited El Comercio, its advertisers, and provided a sustainable future for the publisher's premium printed product.



## PRINTING PRESS ACQUISITION

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*The acquisition and operation of a printing press, through either commercial, non-profit, or co-operative operation.*

### Overview

Given the multitude of printing challenges related to price, geography, and quality, some publishers have explored the prospect of bringing printing in-house or under a related business entity. Over the last several years, as commercial printing presses have steadily closed across the country, presses are available for purchase—sometimes at little to no cost. However, the massive and fragile equipment is difficult to move and re-house, requiring extensive set-up and maintenance in addition to a large warehouse space with mailroom and shipping capacities. Despite the availability of the equipment, this solution can be a relatively expensive investment which limits viability for most small

publishers. The solution is also likely a stop-gap measure as more outlets make full or partial digital transformations, and printing becomes less profitable.

Some local news ecosystems exploring this solution are seeking financial support among a pool of publishers or working to establish interest from local papers who are in search of more convenient and affordable printing solutions. Following the closure of Gannett's Pueblo press, some in Colorado have started to explore this option. Similarly, after a series of press closures in Vermont, a coalition of publishers and government offices are in the process of implementing this solution.



## CASE STUDY

### PRINTING BARRIERS IN VERMONT

A series of natural disasters from 2011 to 2012 (first Hurricane Irene and later Hurricane Sandy) resulted in flooding and damages that began to take printing presses offline in the state of Vermont. Many publishers looked to options in New Hampshire, but immediately began facing challenges with quality and shipping in the mountainous region. After pandemic stresses took every printing press in Vermont offline, publishers have turned to operations in Quebec, Rhode Island, Massachusetts, and New York.

For the last two years, Steve Pappas, Executive Director and Publisher of the Barre Montpelier Times Argus and Executive Editor of the Rutland Herald, has led statewide efforts to bring printing back to Vermont. In an interview for the Future of Printing working group, Pappas outlined a series of process highlights, considerations, and described Vermont's progress to date.

### PROCESS HIGHLIGHTS

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- 1 Vermont's population is less than 650,000, and state government officials have been easy-to-access and extremely receptive to conversations about the printing press. The Vermont Press Association has been supportive and involved from the start. To date, Pappas has identified allies in the Governor's administration; among workforce development leaders and the Secretary of Education; and local Economic Development Corporations.
- 2 Given the congenial nature of Vermont's stakeholders, a co-op model was quickly identified as a viable path. This would involve 51% ownership by an LLC established to own and operate the press, and 49% ownership by other papers as owner/members. The model will include profit sharing.
- 3 Two presses are available at no cost if Vermont can identify the budget to move and house them. The likely target is only eight years old—a Masina DGM 440 in excellent condition.
- 4 The estimated cost of moving the press is \$2 million, which does not include the budget for leasing the space. Space requirements are estimated at 20,000 square feet, in a building that has high ceilings and trucking bays.

### VERMONT'S PROGRESS TO DATE

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- 1 Pappas and team have identified how to reclaim approximately \$1.7 million of the \$2 million cost through workforce training grants and tax incentives/discounts. Stakeholders do not feel this is enough to make a final decision about when or how to proceed.
  - Green Mountain Power has informally agreed to a 40% utility discount over 5 years.
  - Three viable grant deadlines have passed while the stakeholder group considers the best path forward.
- 2 Three sites have been identified with lease-to-buy buildings.
- 3 Currently seven papers in Vermont have expressed interest in participating in the Co-op. Pappas acknowledges there could be some tension around determining run times and coordinating shifts, especially as more papers express interest.





## BROAD CONSIDERATIONS FOR PRINTING PRESS ACQUISITION

### Operational

- In lieu of operating a trucking business as part of printing press operations, what shipping partners can service the needs of the area?
- To what extent will the printer be involved with mailroom operations? Will the press be open to print direct mail adverts?
- How will the identified machinery handle various publisher content management systems and potentially adapt to smaller papers that rely on PDFs as their primary digital source files?
- Could the operation function as an all-purpose facility and serve other printing needs in the area?
- Will operations accommodate delivered and mailed publications?

### Client Stability and Longevity

- What is the overall financial health of the identified printing clients who might use the printing facility? Are they likely to stay in business over the next five to 10 years?
- What is the overall digital transformation trajectory for the identified printing clients? How quickly will they convert their business models to primarily digital, and/or switch from daily runs to weekly?

### Location

- Since many states are faced with printing deserts spanning hundreds of miles across difficult terrains, which geographic location(s) is/are most likely to affordably service the greatest number of publishers?
- Could out-of-state clients also be included in the service area?
- Is a building lease or purchase more viable? Is new construction an option?
- Are there environmental impact/mitigation issues and/or tax-advantaged opportunities to consider when choosing a location for the new press?

### Workforce

- Depending on the size of the press, staffing could require as few as 2-3 or as many as 40-60 employees with trade experience. Is the workforce available and/or what kind of training would be required?
- Do the local government's economic development and workforce objectives prioritize re-establishing older industries or jump-starting new industries?

## CALL TO ACTION

The findings and results of this report support the continuation of the Future of Printing working group being led by CPA and COLab. In particular, the working group could serve as a forum for publishers to test, explore and self-organize around the three options for sustainability outlined in this report.