

USA Today publisher Gannett cuts 700 jobs

June 21 2011



A USA Today newspaper is seen on a stand in 2008. Gannett, the largest US newspaper chain and the publisher of USA Today, said Tuesday it is laying off 700 employees, around two percent of its workforce.

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A Gannett spokeswoman said the layoffs did not involve [USA Today](#) or the Detroit Free Press but were being spread out among the chain's various local newspapers across the United States.

The McLean, Virginia-based Gannett publishes around 80 daily US newspapers and more than 600 magazines and non-dailies.

Like other US newspapers, Gannett has been grappling with declining

print [advertising revenue](#), falling circulation and the migration of readers to free news online.

Robert Dickey, the head of Gannett's US Community Publishing division, said in a memo to employees that the [layoffs](#) were necessary to "align our costs with the current revenue trends."

"As we reach the mid-point of the year, the [economic recovery](#) is not happening as quickly or favorably as we had hoped and continues to impact our US community media organizations," Dickey said.

"While we are seeing improved circulation results and audience growth, weakness in the real estate sector, slow [job creation](#) and now softer auto ad demand continue to challenge revenue growth in the division," he said.

"National advertising remains soft and with many of our local advertisers reducing their overall budgets, we need to take further steps to align our costs with the current revenue trends," he said.

Dickey said each local publisher would decide how many employees to let go but the total would be approximately 700 employees.

Gannett's net profit fell 23 percent in the first quarter of the year as a double-digit boost in digital revenue failed to make up for a continued [print advertising](#) slide.

Revenue was down 3.7 percent to \$1.25 billion in the quarter.

Gannett shares gained 2.91 percent, or 40 cents, on Tuesday, to close at \$14.16.

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