

Tribune Co. to cut 700 newspaper jobs

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Flags fly along the Michigan Avenue bridge near the Tribune Tower, home of the Chicago Tribune, WGN Radio and the Tribune Company, on July 10, 2013 in Chicago, Illinois

US media giant Tribune Co. said Wednesday it would slash 700 jobs at its newspapers including the Los Angeles Times and Chicago Tribune, to cope with the industry's slump.

Most of the cuts will be aimed at consolidating functions such as advertising and circulation company-wide, but some editorial positions

are likely to be eliminated as well, according to Tribune Co. chief executive Peter Liguori.

"Over time, there will be some small reductions in [editorial staff](#), but the majority of these reductions are going to come from non-reader-facing functions," Liguori told the Los Angeles daily in an interview.

"It's never easy to let go of our colleagues, especially in Tribune, where people have made real significant contributions. But it is critical that we recognize what is going on secularly and we position the business for the best future we can."

The reorganization is "not by any means a Hail Mary pass," Liguori added, noting that the newspapers are profitable.

The company which emerged from bankruptcy on December 31 after four years of court supervision, said the new cuts are aimed at making the group more efficient and helping its transition to digital news.

The plan set to take effect in January aims to offset declines in revenue of \$75 million to \$100 million annually, according to a memo from Liguori cited in the Chicago Tribune.

Tribune Co. plans to "invest more concertedly" in digital growth, according to the memo.

"Along with this organizational change, there is going to be a further strategic change in direction, which is digital," Liguori said.

"We're going to have to re-deploy some of our capital, not only to meet our readers' current needs, but we're going to have to anticipate the future needs and products of newspaper readership down the road."

In addition to the Chicago and Los Angeles dailies, the company owns The Baltimore Sun; the Sun Sentinel in Fort Lauderdale, Florida; the Orlando Sentinel; the Hartford Courant in Connecticut; The Morning Call in Allentown, Pennsylvania; and Daily Press in Hampton Roads, Virginia.

It also owns some 40 television stations and other media assets.

The group has discussed the possibility of selling its newspaper operations in a single transaction, but few buyers appeared to be interested in more than a single newspaper.

In July, Tribune Co. said it would spin off its newspaper division in a separate company "to maximize shareholder value."

The company became privately held after it emerged from bankruptcy. The reorganization allowed a group of hedge funds and banks based in Los Angeles and New York to take over the media company.

It reported a profit of \$50 million in the past quarter, but mostly from cost-cutting as newspaper revenues declined.

Sam Zell, a Chicago real estate titan, led an \$8 billion leveraged buyout of the Tribune Co. in 2007 and the company declared bankruptcy the next year, with \$13 billion in debt. It sold the Chicago Cubs baseball franchise and its iconic stadium, Wrigley Field, in 2009.

Tribune Co. also operates websites including CareerBuilder.com, Cars.com and Apartments.com, and holds a stake in the Food Network cable channel.

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