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Funding news: How Gen Z and Millennials pay for or donate to news

Media Insight Project study highlights who among Gen Z and Millennials pay for or donate to news, how payers or donors get news, and the topics that drive their behavior.

CHICAGO, March 7, 2023 — Sixty percent of 16- to 40-year-olds, regardless of race and ethnicity, pay for or donate to news in some way, including 51% of Gen Z, 63% of young Millennials, and 67% of older Millennials, according to a new study from the <u>Media Insight Project</u>, a collaboration between the <u>American Press Institute</u> and <u>The Associated Press-NORC Center for Public Affairs Research</u>.

With this study, the <u>Media Insight Project</u> addresses one of the crucial questions about the future of journalism: how can news media create content that Gen Z and Millennial consumers are willing to pay for or donate to directly? The report highlights how these new generations have turned their attention to formats from independent news creators such as video, audio, podcasts, and newsletters as news sources.

"It is crucial for news organizations and independent news creators to know how Gen Z and Millennials consume and, more importantly, pay for or donate to news," said Michael D. Bolden, CEO and executive director of the American Press Institute. "The study highlights the importance of diverse communication and subscription strategies that cultivate relationships with Millennial and Gen Z audiences. This is an important shift in media that healthy news organizations need to develop and sustain as part of their long-term strategies."

This study dives deeply into the data and expands on findings released in the previous reports: "Fatigue, traditionalism, and engagement: News habits and attitudes of the Gen Z and Millennial generations" and "Knowing the news: How Gen Z and Millennials get information on essential topics," based on a survey of 5,975 Americans ages 16 to 40.

The report outlines key behavioral and demographic characteristics among those who pay for or donate to news and those who do not. It explores how Gen Z and Millennials who pay for or donate to two different sources of news: digital or print newspapers and content from independent creators including email newsletters, video, or audio – a source popular among these audiences.

The study defines those who pay for or donate to news as those who report either personally paying for or donating to either print or digital magazines, print or digital newspapers, digital news apps, nonprofit news sites, email newsletters from independent creators, video or audio content from independent creators or influencers through YouTube or podcasts, public radio, or TV.

"While the study highlights how news payers and donors tend to be more engaged and connected, it also points out how news organizations and independent creators could attract wider audiences and increase their revenue," said David Sterrett, senior research scientist with The AP-NORC Center.



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"Understanding what makes Gen Z and Millennials give money to news and what makes these consumers unique is crucial for news organizations to adapt and thrive in today's competitive media landscape."

Key findings include:

- Overall, news payers or donors younger than 40 skew older. Among 16- to 40-year-olds who pay for or donate to news, 42% are older Millennials, 29% are younger Millennials, and another 29% are Gen Z. Yet, it is important to note that paying for or donating to news is not uncommon even among this youngest generation of news consumers. About half (51%) of Gen Z pay for or donate to some type of news content or source.
- New media formats have special appeal to people younger than 40. Americans ages 16 to 40 are more than twice as likely to pay for or donate to email newsletters, video, or audio content from independent creators (47%) than to traditional sources like print or digital newspapers (22%).
- A majority of Gen Z and Millennials, regardless of race or ethnicity, pay for or donate to some type of news. However, Black (68%) and Hispanic (63%) Americans are slightly more likely than white Gen Z and Millennials (57%) to pay for or donate to news. Sixty percent of Asian Americans pay for or donate to news sources.
- News payers or donors share some common behavioral characteristics. In general, Americans ages 16 to 40 who pay for or donate to news spend a great deal of time online, are more likely to actively seek out news, and use traditional and social media sources to get news daily than those who do not pay for or donate to news. For example, 31% of those who pay for or donate to news text with family or friends about the news they consume daily compared to 13% of those who do not pay for or donate to news.
- Yet despite being more active, the majority of Gen Z and Millennials who pay for or donate to news "bump" into news more than seek it out. It's true that these news payers or donors are also more likely to actively seek out news (45%) than Americans ages 16 to 40 overall (38%). (In contrast, 71% of those who do not pay for or donate to news mostly bump into news and information or hear about it from others.) But that still leaves the majority of Gen Z and Millennial payers or donors as "bumpers" (54%) rather than "seekers" (45%).
- News payers or donors use a variety of social media sources to get news. Gen Z and Millennials who pay for or donate to news use, on average, two social media sources at least daily to get news and information, while those who do not pay for or donate use only one. Further, payers and donors are more likely than those who do not pay for or donate to use platforms such as Facebook (45% vs. 33%), YouTube (45% vs. 27%), or Twitter (30% vs. 13%).
- Payers or donors are just as likely to feel worn out by the news as those who don't pay for or donate to news content. Gen Z and Millennials who pay for or donate to news are just as likely



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as those who do not pay for or donate to news and Americans ages 16 to 40 overall to report feeling worse the longer they stay online and connected (31%, 28%, and 30%, respectively).

Key takeaways for news media:

- Engaging Gen Z and Millennials on social media should be an integrated part of subscriber and donor retention strategies. While news organizations may be prudent to prioritize developing relationships with any audience on a channel they own especially as social media companies change how they handle news social media will continue to influence Millennials and Gen Z. This is true even for the payers or donors in these generations, most of whom still say they bump into news rather than seek it out (54% vs. 45%) and get news from social media more often than directly from traditional media sources (77% vs. 56%). Social media strategies should be robust enough to include identifying and cultivating relationships with new Millennial and Gen Z audiences (who may eventually pay or donate) but also speak to existing payers or donors. Challenges like creating a smooth sign-in process for digital subscriptions or to access membership perks may be especially important in this context.
- News fatigue doesn't mean Gen Z and Millennials won't pay for or donate to news. Despite the need for news organizations to address news fatigue, a main subject of our first report "Fatigue, traditionalism, and engagement: news habits and attitudes of the Gen Z and Millennial generations," Gen Z and Millennials are still willing to pay for or donate to news. Supporting a news mission they believe in may be important to them. That means relaying a news organization's mission becomes critical when creating more ways for people to pay or donate.
- News organizations can learn from the appeal and approach of independent creators. While many Gen Z and Millennials pay for or donate to newspapers (and other legacy sources like magazines or public broadcasting), nearly twice as many have paid for or donated to support email newsletters or video or audio from independent creators. News organizations should evaluate potential reasons for this, such as perceived authenticity of individual voices; the formats or style of content; or even the often-multiple ways individuals can support creators, through recurring or one-time payments.



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About the report

This survey was conducted by the Media Insight Project, an initiative of the American Press Institute (API) and The Associated Press-NORC Center for Public Affairs Research. The survey was funded by API. Staff from API, NORC at the University of Chicago, and AP collaborated on all aspects of the study.

Data were collected using both probability and non-probability sample sources. Interviews for this survey were conducted from May 18 through June 8, 2022, with people ages 16 to 40 representing the 50 states and the District of Columbia.

The probability sample source is the AmeriSpeak® Panel, NORC's probability-based panel designed to be representative of the U.S. household population. The non-probability sample was provided by Cint based on quotas related to age, race and ethnicity, gender, and education.

The overall margin of error for the combined sample is +/- 1.7 percentage points at the 95 percent confidence level, including the design effect. The margin of sampling error may be higher for subgroups. Sampling error is only one of many potential sources of error and there may be other unmeasured errors in this or any other survey.

Complete questions and results are available at www.mediainsight.org.

Details about the Media Insight Project can be found at: www.mediainsight.org.

A full description of the study methodology for the surveys can be found at the end of the report.

The proper description of the survey's authorship is as follows: This study was conducted jointly by the <u>American Press Institute</u> and <u>The Associated Press-NORC Center for Public Affairs Research.</u>

About the Media Insight Project

The Media Insight Project is a collaboration between the American Press Institute and The AP-NORC Center for Public Affairs Research with the objective of conducting high-quality, innovative research meant to inform the news industry and the public about various important issues facing journalism and the news business. The Media Insight Project brings together the expertise of both organizations and their respective partners, and involves collaborations among key staff at the American Press Institute, NORC at the University of Chicago, and The Associated Press.

http://www.mediainsight.org/

About the American Press Institute

The American Press Institute advances an innovative and sustainable news industry by helping publishers understand and engage audiences, grow revenue, improve public-service journalism, and succeed at organizational change. We believe that for democracies to thrive, people need accurate news and information about their communities, the problems of civil society and the debates over how to solve them. That requires an economically sustainable free press that reflects the diversity of American society and understands the needs of its communities. API is a national 501(c)3 nonprofit educational organization affiliated with the News Media Alliance.

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About the Associated Press-NORC Center for Public Affairs Research

The AP-NORC Center for Public Affairs Research taps into the power of social science research and the highest-quality journalism to bring key information to people across the nation and throughout the world.

- The Associated Press (AP) is an independent global news organization dedicated to factual reporting. Founded in 1846, AP today remains the most trusted source of fast, accurate, unbiased news in all formats and the essential provider of the technology and services vital to the news business. More than half the world's population sees AP journalism every day.
 www.ap.org
- NORC at the University of Chicago is one of the oldest objective and nonpartisan research institutions in the world. www.norc.org

The two organizations have established The AP-NORC Center for Public Affairs Research to conduct, analyze, and distribute social science research in the public interest on newsworthy topics, and to use the power of journalism to tell the stories that research reveals. Learn more at www.apnorc.org