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Media Entrepreneurship: Definition, Theory and Context

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Abstract

This paper introduces entrepreneurship research as a complement to industrial organization approaches to media research. First, media entrepreneurship and its theoretical relationship to media innovation are explicated. Then the context of media entrepreneurship in the U.S. is constructed to show current patterns and historical trends. Through this lens, media industries in the U.S. take on a different appearance compared to the picture painted by conventional competition measurement. They are more entrepreneurial and dynamic than one might have expected. Conclusions suggest future research to build an understanding of the role of media entrepreneurship, innovation that contributes to the health of the media thereby affecting its ability to serve democracy.

Media Entrepreneurship: Definition, Theory and Context

What causes innovation and growth? Entrepreneurship. More and more this is the assertion of entrepreneurship theory and research. Recent scholarship has shown that new and small firm growth and a corresponding decline in conglomeration and concentration starting in the 1970s has shifted the source of economic growth and innovation toward the entrepreneurship and small business sector (Cooper, 2003; Carree and Thurik, 2003; Audretsch, 2002; Baumol, 1993). In fact, new firms have been shown as the main source of net job growth (Acs, Armington and Robb, 1999). Does the evidence support such a claim when applied to media industries? In particular, does it hold up when the term "innovation" is translated into media industry performance concepts like *diversity* (in content and voices), *access* (to the media and communication networks for the public), *quality* (in both content and access technologies) and new processes with democratizing effects. What can theory and research in entrepreneurship lend to the study of media economics?

A good deal of media economics research approaches questions of media industry performance form the industrial organization perspective. The emerging entrepreneurship literature complements industrial organization approaches as they overlap regarding industry performance. In particular, one of the fundamental theories of entrepreneurship is that is causes innovation (Schumpeter, 1936). Intuitively, we all know that entrepreneurship has played an important role in media industry growth and innovation throughout its history. And despite concern over industry concentration, the entrepreneurship share of the media is not insignificant: Ninety-nine percent of the nearly 119,000 media firms in the U.S.[1] are classified as small by the federal government. The small media sector employs more than 1.2 million in the U.S. alone, 30 percent of all communications industry workers (SUSB, 2002) [2]. Media entrepreneurship accounts for a *growing* share of media industry revenue, 23 percent in 1992 to 29 percent in 1997[3], the last year for which economic census data are available. Entrepreneurship is a major component of the media industry and a promising area for scholarly study.

This paper opens an inquiry into the nature of media entrepreneurship and its impact on innovation and the health of the entire media sector. Two questions are asked in this initial paper: What is media entrepreneurship? And how entrepreneurial is the media sector? First, we explicate media entrepreneurship. We give particular consideration to two issues: the special role of media in democracy and media as a for-profit industry. Second, applying theory and empirical techniques developed in the entrepreneurship literature, we describe the context for media entrepreneurship in the U.S. By context, we mean a setting, a landscape – what entrepreneurship looks like vis a vis the entire media industry and in comparison to other industry sectors. There exist a

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[1] Includes publishing, motion picture production, distribution and exhibition, music publishing and recording, radio and television broadcasting, cable networks and operators, wire and wireless telecommunications, satellite communications, advertising.

[2]By comparison, the top 10 media and communications companies from the Fortune 500 employ just over a million people worldwide (Hoover's Online). In order of size, they are Verizon, Time Warner, SBC Communications, Disney, Viacom, Sprint, BellSouth, Comcast, Clear Channel, and Omnicom.

[3] Same industry sectors as in footnote 1.

few published studies on entrepreneurship in communications[4], but each isolates a narrow issue or a single media sector rather than providing a master view. The outcome of this initial analysis reveals a surprising incidence and intensity of media entrepreneurship, somewhat contrasting the dire scenario painted by critics of media consolidation. We conclude with suggestions for future research toward understanding the role and impact of entrepreneurship in the media sector.

Defining Media Entrepreneurship

Toward the ultimate purpose of studying media industry performance vis a vis innovation and ultimately democracy, we take a cue from entrepreneurship theory to focus on the new entrant and the small business owner. Numerous theoretical and operational definitions pervade the literature and most treat Schumpeter's view (1936) of the entrepreneur as innovator as the touchstone. Our theoretical conceptualization of media entrepreneurship is: the creation and ownership of a small enterprise or organization whose activity adds at least one voice or innovation to the media marketplace. The individual media entrepreneur or small partner entrepreneur groups are the central characters in that organization's formation, whether the innovator(s) and/or the owner(s).

Our definition considers a number of conceptual and practical concerns in the communications and entrepreneurship literatures. First, and obviously, our conceptualization includes all media products and services. Second, it talks about both new entrants and existing small firms. Third, it implies Schumpeter's entrepreneurship--innovation connection but does not exclude small media businesses that may not be constantly innovating. Next, it rules in both for-profit and non-commercial forms of media enterprise. Finally, for this initial inquiry, our conceptualization sets aside the psychology and sociology of entrepreneurship, though they are well-developed strains of entrepreneurship research. Of particular significance to future study of media entrepreneurship, would be the entrepreneur's ability to perceive opportunities and capacity for risk-taking (Bull and Willard, 1993, Wennekers and Thurik, 1999).

What is ruled out by the definition? Big media. We would not deny that big media corporations can be innovative. Indeed, they are better capitalized to fund and systematize new product development (as Schumpeter's later (1942) writing on oligopoly market structure, R&D investment, and innovation points out). Moreover, our conceptualization may have the effect of excluding intrapreneurship, that is, the enterprising effort of some individuals within corporations. The critical decision rule is that entrepreneurship is "committed" by individuals who also control or own the media voice or innovation. In sum, innovative they may often be, but big media corporations are not entrepreneurial.

The "media" in media entrepreneurship refers to traditional mass communications systems and content genres as well as other technologies for mediated human speech. This would include traditional publishing (newspapers, periodicals, books), traditional electronic media (radio and television via broadcasting, broadband, cable or satellite), motion pictures, videogaming, recorded music, advertising and public relations, fixed and

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[4] See for examples the 2002 special issue of the *International Journal of Media Management* (4)4, http://www.ingentaconnect.com/content/mcm/jmm/2002/00000004/00000004, Barnett and Amburgey (1990), Guillen and Suarez (2001), Mezias and Kuperman (2000), Peterson and Berger (1971).

wireless telecommunications and adaptations of the Internet for any of these media. Telephony is included now that mass media applications and content are delivered to handsets.

Common usage of the term entrepreneurship tends to lump new venture creation together with small business, whether it's new or not. Our concept of media entrepreneurship follows that idea. But here, our definition diverges somewhat from Schumpeterian entrepreneurship, which implies that small business and entrepreneurship are not the same thing. In Schumpeter's early model[5], the entrepreneur is the principal source of economic development. She is an innovator, that individual who invents and then disseminates a "new combination" of inputs and processes to create new products and services, improve efficiencies, reduce costs or create new markets. Her motivation for identifying and exploiting the opportunity is profit. These innovations are superior to existing market offerings. Their flow from entrepreneurs to the market is the process of creative destruction, a force that reshapes market structures by eliminating any advantage or market power of incumbents.

Thus, the Schumpeterian entrepreneur is an innovator. Peter F. Drucker defined it simply: "Entrepreneurs innovate. (1985, p. 30)." By inference, this view of entrepreneurship is confined to new entry only. Once the entrepreneur's little organization matures, the thinking goes, it is merely a small business. It may no longer be innovative and by definition, cannot be entrepreneurial. The Schumpeterian view then rules out other mainstream views of the entrepreneur. For instance, entrepreneurship is conceived of variously as business ownership (Gartner and Shane, 1995), business founding and operating (Baumol, 1993b, Wennekers and Thurik 1999) or just as small business (Storey, 2003). Sometimes it is defined by what it is not: it is a lack of market power (Storey, 2003).

The entrepreneur/innovator criterion should be relaxed for the case of media. First of all, whether the venture is new or not, it represents a voice, a key issue in our conceptualization. Second, it is hard to imagine a small media company surviving in the cluttered media marketplace without being innovative, differentiating itself and its products in some meaningful way to the search for diversity, access, quality and democratizing potential discussed earlier. In other industry sectors, small businesses may prosper by imitating, i.e., buying a franchise, but there are few media examples of pure imitation in the form of franchising (itself a noteworthy artifact).

The final element of media entrepreneurship is that it counts both for-profit and non-commercial forms of media enterprise. The presupposition in entrepreneurship literature is that it occurs only in the commercial, for-profit realm. It is presumed that achieving personal wealth is the driver for the entrepreneur. In the case of media, that would be limiting; so much media and communication technology are the products of non-profits, non-commercial communities and even small government agencies. It would be hard to discount the entrepreneurship of National Public Radio, *The Christian Science Monitor*, C-SPAN, The Sundance Film Festival, ARPA (the government agency that created and diffused the precursor to the Internet) or more recent entrants like the original

[5] In summarizing it here, we vastly simplify thereby losing important details and subtleties. Please see Schumpeter (1936 and 1942) and discussions of Schumpeterian entrepreneurship in Baumol (1993a), Bull and Willard (1993) and Carree and Thurik (2003).

pre-commercial Napster, Mozilla, the Wikipedia Foundation, the blogworld and podcasters. These and countless other entrepreneurs are apparently not driven by an extrinsic profit motivation. The drive stems from intrinsic rewards like "adding value to society (Kao et al, 2002, p. 41)." To use more conventional economics jargon, many entrepreneurs strive for utility maximization rather than profit maximization, fulfilling a social goal rather than increasing personal wealth (Cordes et al, 2004).

In sum, our view of entrepreneurship, adapted for studying the media marketplace, sees both new entrants and existing small firms, both innovators and independent voices, both for-profit and non-commercial -- all as facets of media entrepreneurship.

In fitting entrepreneurship into the scope of economic theory and research, Baumol has said the entrepreneur is "at once one of the most intriguing and one of the most elusive in the cast of characters that constitutes the subject of economic analysis (1993a, p. 2)." Entrepreneurship eludes economic analysis because the term embodies multiple meanings. As with any concept, its definition is shaped by the scholarly purpose. Our definition was shaped by how entrepreneurship in media industries relates to the performance of the media, specifically how it brings more and different voices into the ideas marketplace and creates innovation – technologies that extend access, diverse content that engages citizens and processes with democratizing effects. In practice, however, applying the theoretical definition proves difficult. In the next section, we attempt to capture the scale and scope of media entrepreneurship using measures developed in the entrepreneurship literature.

The Context of Media Entrepreneurship

How much media entrepreneurship is there in the U.S.? How entrepreneurial is the media sector compared to other industries? Entrepreneurship researchers have adapted a number of measures to available data. As there is no single measure that accommodates our theoretical conceptualization of media entrepreneurship, we selected three to depict a comprehensive view of media entrepreneurship in the U.S. The objective is to give context in terms of size, proportion and a few trends over time and in comparison to other industries. We start with Gartner and Shane's (1995) measure of entrepreneurship over time. Next the concept of turbulence and its connection to entrepreneurship is explained and measured (Carree and Thurik, 2003). The final gauge of media entrepreneurship pinpoints a subset, nascent entrepreneurs a group thought to be particularly connected to innovation.

A note about data used in this section: A good deal of entrepreneurship research relies on the U.S. Economic Census, County Business Patterns (CBP) and derivations thereof known as Statistics on U.S. Business (SUSB) and Enterprise Statistics. Census methods change from year to year – an item is counted one year, discontinued the next (i.e., publishing is broken down into books, newspapers and periodicals in some years, other years, not), reports have been discontinued (i.e., Enterprise Statistics: 1958 – 1992) and others were created only in recent years (i.e., SUSB in 1989). The biggest method change, the 1997 switch from the Standard Industrial Classification (SIC) system to the North American Industry Classification System (NAICS) reclassified virtually every sector of communications making it impossible to bridge pre- and post- 1997 trends. The 1997 change coincided, quite unfortunately, with the implementation of the 1996

Telecommunications Act which notably altered patterns of media ownership. The census and CBP data are more than adequate, fortunately, for outlining the context of entrepreneurship within media industries.

Entrepreneurship over time. Measuring media entrepreneurship over time provides an alternative view to the historical patterns of media ownership concentration. A deceptively simple measure, organizations per capita, emerged from a comprehensive analysis of entrepreneurship metrics (Gartner & Shane, 1995). The authors reasoned that this measure, while not ideal, accounts for deficiencies in other common rate and stock measures. At base, they argue a theory of entrepreneurship as ownership rights (Hawley, 1907) for why ALL organizations, not just small or new ones, should be part of the measure. For media research, we reason further that each media organization is a "voice," a potential source of diversity and innovation. The denominator, the U.S. population, is a proxy and control for the overall economy's resources. For media research, moreover, it represents the society at large to which the media are responsible.

We constructed a history using the economic census' enterprise statistics, compiled every few years from 1958 to 1992. The enterprise statistics only consistently count three mass media sectors: newspapers and periodicals, advertising and motion pictures. These three sectors in effect represent the mature mass media in the 1950s though it obviously overlooks radio, telephony and nascent television of the era, not to mention all manner of electronic media that have since diffused. Therefore, while the picture presented here underestimates total media entrepreneurship, it is consistent over time.

Figure 1 charts the changes over time in the rate of entrepreneurship for three media sectors and their parent industry classifications (manufacturing and service). The trend represented by the parent industries is an indicator of the economy overall. It shows a general upward surge in entrepreneurship from the late 1950s until the late 1970s followed by a steep decline until 1982, then a degree of recovery into the 1990s. The overall economy appears to have influenced all three media sectors to some degree, especially advertising and motion pictures in which entrepreneurship rose, fell, and rose again in concert with the overall industry trend. However, each of the three exhibited some independence from the economy at large, especially publishing. In the late 1950s, all three sectors were similarly "entrepreneurial" but soon diverged. Newspaper entrepreneurship declined steadily through 1992. Advertising entrepreneurship surged dramatically in the 1960s, later declining and ending in 1992 almost exactly where it began in 1958. The motion picture business fluctuated over the entire 34 year period enjoying the greatest surge in entrepreneurship in the 1980s. For all three media sectors, there was a noticeable drop in orgs per capita between 1977 and 1982 from which advertising and motion pictures recovered somewhat.

---Figure 1 about here---

In sum, one can reach some initial conclusions. All three mass media sectors seem to vary somewhat with their parent industries suggesting media entrepreneurship is related to the overall economy. Second, the three media sectors did not otherwise share a common path – publishing entrepreneurship declined over the period, motion pictures entrepreneurship nearly doubled, and advertising ended nearly where it began.

Turbulence. Another measure of entrepreneurial activity at the industry level is turbulence, the degree of entry and exit in an industry. This metric is particularly relevant to the study of media industries given the dramatic changes wrought by technological innovation. Studies positively link turbulence and economic growth (Caves, 1998; Reynolds, 1999a), but it has also been shown to be a factor in high technology industries, of which some are media-related, where rapid technological innovation and market change occur (George and Zahra, 2002). In theory, greater industry turbulence is associated with greater innovation. The reasoning is similar to the marketplace of ideas concept – the more entrepreneurs (voices) bring their inventions (opinions, ideas) to the market, the more opportunity there is to realize the social and economic benefits of innovation (discover the truth). Of course, not all inventions (opinions and ideas) survive the test.

Turbulence is a concept devised to capture dynamism; it has been operationalized simply as the sum of all entry and exit in an industry or region (Carree & Thurik, 2003, p. 457). We use SUSB data, available from 1989 to 2001 which tabulates all births (entry) and deaths (exit) of U.S. firms.

Figures 2 and 3 show the rates of turbulence from 1990 to 1998 and then for 1999 and 2001 for the media sector compared to all U.S. industries and another service industry sector, finance and insurance. Please note that the two figures are not comparable because of the Census' 1997 change in methods from SIC to NAICS. But within each chart, the data show accurate trends and comparisons with other industry sectors. In 1990, the media sector experienced an average degree of turbulence in comparison to all other U.S. industry sectors (24%). By 2001, it was a great deal more turbulent than average (35% vs. 22%). The finance and insurance sector, another services-type industry that experienced a great deal of change displayed turbulence patterns similar to media, though media was more turbulent from the late 1990s through 2001. In fact, the media and telecom sector was the most consistently turbulent industry sector over the entire 11 year period, based on SUSB data.

---Figures 2 and 3 about here---

Figures 4 and 5 break down media sector turbulence into its component parts: publishing, telecommunications, radio and television broadcasting, cable, advertising, and motion pictures (recording was broken out only in the NAICS SUSB data). Again the two charts are not analogous but within each, comparisons can be made. From 1990 through 2001, almost all individual media industries were more turbulent than U.S. industry at large, publishing being the exception. Publishing was the least turbulent overall and declined throughout the period, but interestingly, started out the 1990s as more turbulent (20%) than the telecommunications category (16%) which rapidly became the most consistently turbulent media sector (around 40% in 1997 and thereafter). Cable experienced a steady increase in turbulence throughout the period (22% in 1990 to 38% in 2001). The broadcasting sector hovered in the mid-range through the 1990s (22% to 29%) and spiked at the beginning of the next decade (45%). Four industries appear to have become less turbulent during the period: publishing, motion pictures, advertising and recording.

---Figures 4 and 5 about here ---

In sum, the individual media sectors manifested varying degrees and patterns of turbulence. They shared little in common, though almost all were more turbulent than the average U.S. industry. In fact, during the 1990s and into the next decade, the media sector overall experienced more turbulence than most other U.S. industry sectors, and may be the most consistently turbulent of all U.S. industries.

Nascent Media Entrepreneurship. Research has revealed a link between new enterprise creation, so-called nascent entrepreneurship, and social benefits including job growth and innovation (Reynolds, Camp, Bygrave, Autio & Hay, 2001; Reynolds & White, 1994). Nascent entrepreneurship is thought to be the prime source of innovation as well as it is the entry point for commercialization and diffusion of new ideas and inventions, whether or not they are later transferred, licensed or sold to bigger, established firms. As such, measuring nascent entrepreneurship is a proxy for measuring innovation in an industry.

In our theoretical conception of media entrepreneurship, nascent entrepreneurship would constitute a subset. Of all the many varying constructions and operational definitions of entrepreneurship, we include this one in our context because of the empirical and theoretical links between it and innovation. If the link holds for the media sector: the more nascent media entrepreneurship, the more media innovation.

The problem of how to operationalize nascent entrepreneurship has stirred debate. The nascent entrepreneur is conceptualized as active in the start-up process, expecting to own all or part of the firm and, having cash flow to cover expenses for no more than three months (Reynolds, 1999b). In other words, a nascent firm is early stage, its future success far from guaranteed. Many studies use self-employment as a proxy for entrepreneurial activity (Carree and Thurik, 2003). Reynolds (2004) points out some validity problems with this approach. For instance an entrepreneur who incorporates a small business of which he is the only employee would be counted as an employee of that corporation, not as self-employed. Self-employment figures also include individuals who are not starting a business or attempting to commercialize and diffuse a new idea or invention. A count of firms with zero employees overcomes both these problems. These zero-employee firms are usually very new enterprises just getting off the ground. There is some noise in this variable from the presence of older micro-businesses whose owners pays themselves from profits rather than a salary, for example a one-person newsletter publisher or an independent filmmaker. They are still businesses however, as they report income.

Figure 6 shows nascent media entrepreneurship for a recent period compared to other selected industry sectors, arts/entertainment/recreation, manufacturing and finance/insurance. The media category includes publishing, motion pictures, music/sound recording, broadcasting, cable, telecommunications, video rental and advertising. Both 1998 and 2002 are depicted to get a sense of how stable these rates were before and during the economic recession of 2000. Overall, the media industry has a slightly higher rate of nascent entrepreneurship compared to the all-industry average (15% vs. 14% in 2002), and it is higher than almost every other U.S. industrial classification. In fact, the only other comparable industry with a higher rate of nascent entrepreneurship was arts, entertainment and recreation (e.g., sports, legal gambling, museums, live theatre, camping, amusement parks).

---Figure 6 about here ---

Within the media sector, however, there is considerable variance. Figure 7 breaks down media into four major component industries, publishing, motion picture and sound recording, broadcasting and telecommunications and advertising. Publishing has the lowest rate of nascent entrepreneurship, even lower than the all-industry average of 14 percent in 2002, though it rose slightly during the recession. Motion picture and sound recording has the highest, 24 percent in 2002. The electronic media and advertising hover just below the media industry average, 14 percent compared to 15 percent in 2002.

Even within these classifications, there is little uniformity. Table 1 provides even finer division, ranking industries from highest to lowest rates of nascent entrepreneurship. When the production segment of the motion picture industry is peeled away from the distribution and exhibition segments, it enjoys the highest rate of nascent entrepreneurship compared to all other media, 30 percent in 1998 and 29 percent in 2002. When newspaper publishing is stripped out from other publishing segments like periodicals and books, it is revealed as the weakest in nascent entrepreneurship, eight percent in 1998, seven percent four years later. Likewise with the electronic media: at 19 percent, wireless is more entrepreneurial than fixed telecommunications, cable or broadcasting. In fact, by 2002, only motion picture production, wireless telecommunications, recording and movie exhibition enjoyed greater nascent entrepreneurship than U.S. industry on average of 14 percent.

In sum, nascent entrepreneurship in the media industry is higher than average compared to all U.S. industries. Within media, some sectors score far higher than average, particularly motion picture production (29% in 2002) but more than half fall below that average with newspaper publishing being the weakest.

Discussion and Conclusions

How entrepreneurial is the media industry? The three entrepreneurship measurement techniques, organizations-per-capita, turbulence and nascent entrepreneurship, impart a picture of media entrepreneurship in the U.S. In context, media entrepreneurship appears to be relatively dynamic and healthy compared to all U.S. industries – on average the media industry was more turbulent during the 1990s and had more nascent entrepreneurship at the turn of the 21st century. In the longer view, from the 1950s through the early 1990s, trends in organizations per capita show that media entrepreneurship overall was rather stable, flourishing dramatically for advertising in the 1960s and 1970s and surging in the movie business later on. When the three measures are applied to individual media sectors, one consistent message emerges: publishing entrepreneurship, of all the media sectors, has been in decline for more than 40 years. Organizations per capita declined nearly 50 percent, publishing turbulence was the lowest and declined the most in the 1990s, and nascent entrepreneurship in publishing was almost 50 percent lower than the media industry average by 2002. If the media entrepreneurship is related to innovation in terms of diversity of views and opinions, this is an unfortunate situation. On the bright side, for almost all other media sectors, the 1990s was a period of dynamic growth in entrepreneurship: telecommunications, broadcasting and cable turbulence grew while motion pictures and wireless telecommunications enjoyed high rates of nascent entrepreneurship. The motion picture business appeared also to be relatively entrepreneurial in terms of organizations per capita. If the theoretical entrepreneurship-innovation link holds, we would expect to see a great deal of innovation in the 1980s, 1990s and beyond.

What is media entrepreneurship? The definition and context constructed in this paper provide an orientation, however, it is only a first step toward capturing a full understanding of media entrepreneurship, its role and impact on innovation and the media industry's ability to properly support a democracy. As to how to advance understanding of media entrepreneurship, future research should flesh out its various dimensions, such as the sociology and psychology of entrepreneurship, discussed earlier. If empirical evidence supports the theory that entrepreneurship and innovation are related, future research might also attempt to replicate this in a media context. That is, it could conceptualize and adapt media-related innovation measures such as diversity, access and quality then test relationships among them and entrepreneurship metrics. Finally, toward the goal of showing whether or how media entrepreneurship supports democracy, a fruitful line of inquiry lies in prospects for new entrants. If we subscribe to the notions that a) entrepreneurship engenders innovation and b) better access to more and different media voices benefits a healthy democracy, then we should look at how to encourage entry. What are the barriers to entry for new media entrepreneurs? What causes an individual to become a media entrepreneur? What social, cultural and economic conditions are conducive to new entry in media markets? Such research could help shape a new paradigm in both small business and communications public policy.

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Table 1: Rates of Nascent Media Entrepreneurship, 1998 and 2002

Sector	1998	2002
Motion Picture Production	30%	29%
Cellular & Other Wireless	19%	19%
Sound/Music Recording	19%	17%
Motion Picture Exhibition	16%	16%
Media Industry Overall	15%	15%
All U.S. Industry	13%	14%
Motion Picture Distribution	13%	14%
Advertising	14%	14%
Wired Telecommunications	19%	13%
Periodicals	11%	12%
Cable Television	12%	12%
Books	12%	10%
Radio Broadcasting	10%	10%
Television Broadcasting	14%	10%
Newspapers	8%	7%

Source: SUSB, www.sba.gov

Figure 1: Media Orgs per Capita Trend
with comparison to Manufacturing + Service Sector

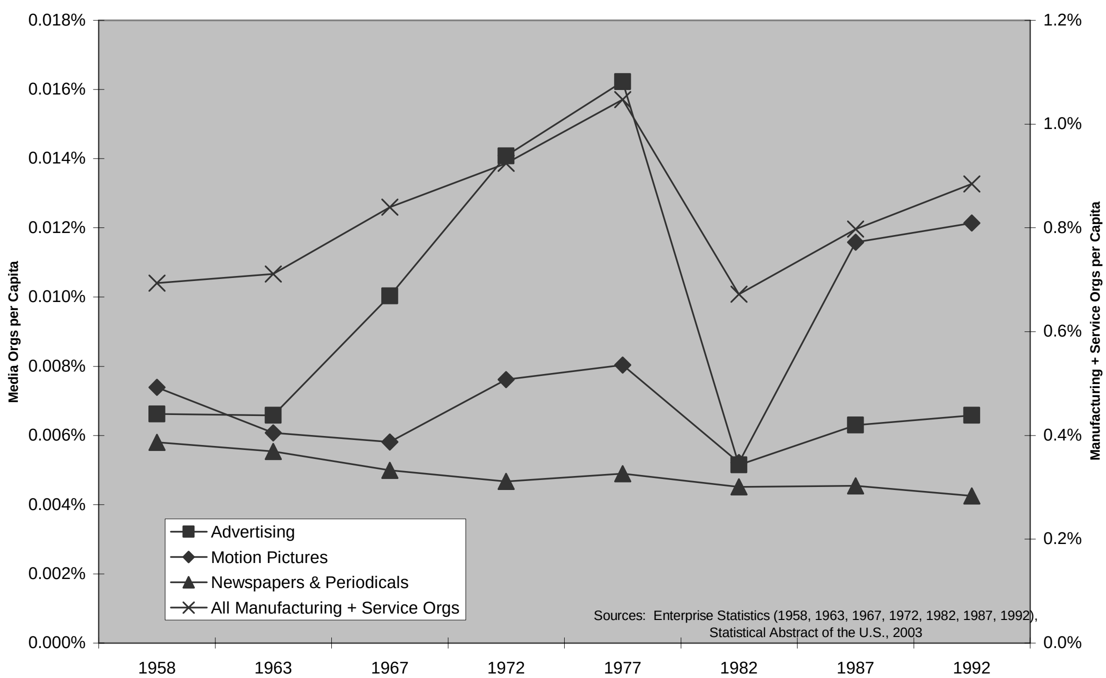
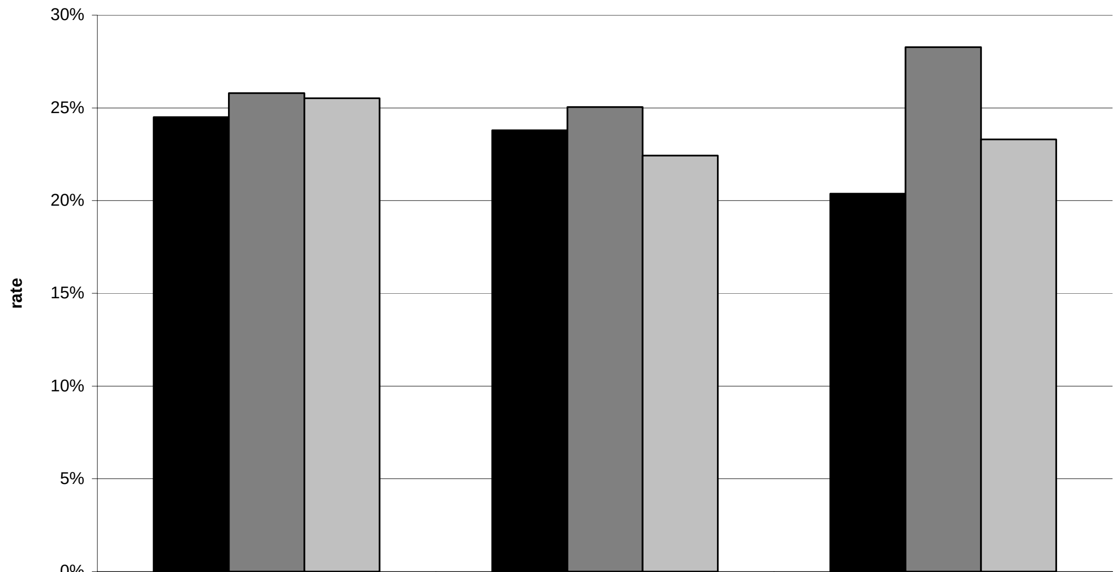
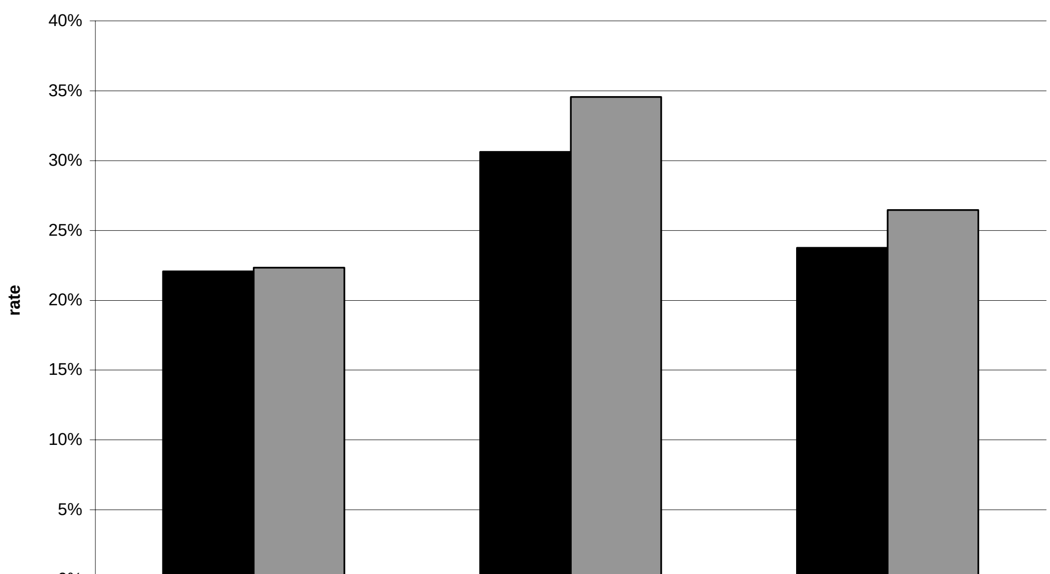


Figure 2: Turbulence, SIC System



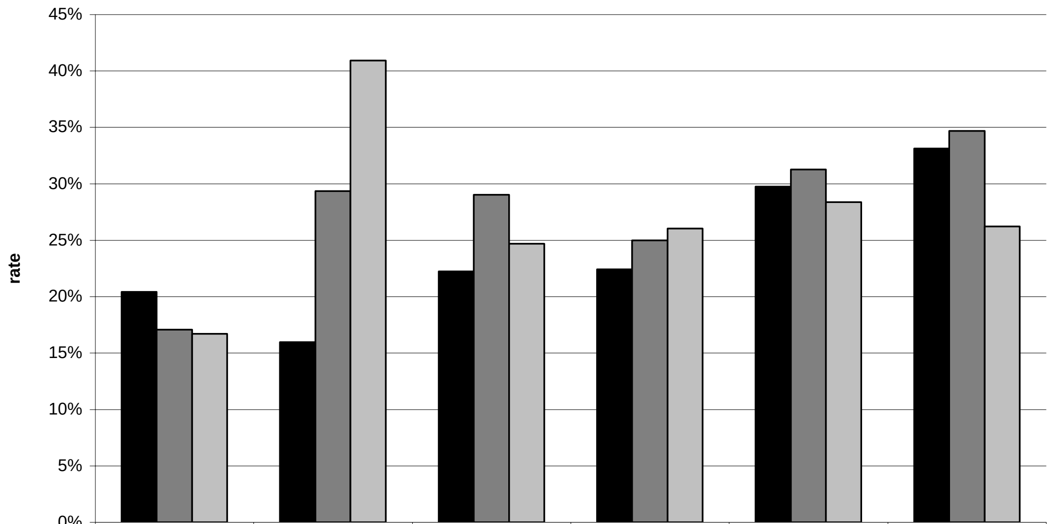
	Media	All Industries	Finance & Insurance
1990	24%	24%	20%
1997	26%	25%	28%
1998	26%	22%	23%

Figure 3: Turbulence, NAICS system



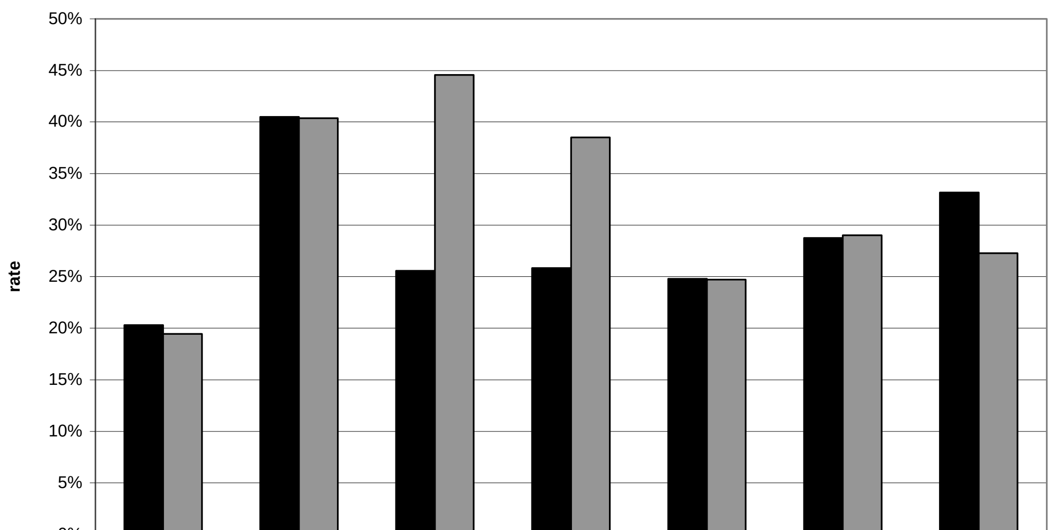
	All Industries	Media	Finance & Insurance
1999	22%	31%	24%
2001	22%	35%	26%

Figure 4: Media Industry Turbulence, SIC System

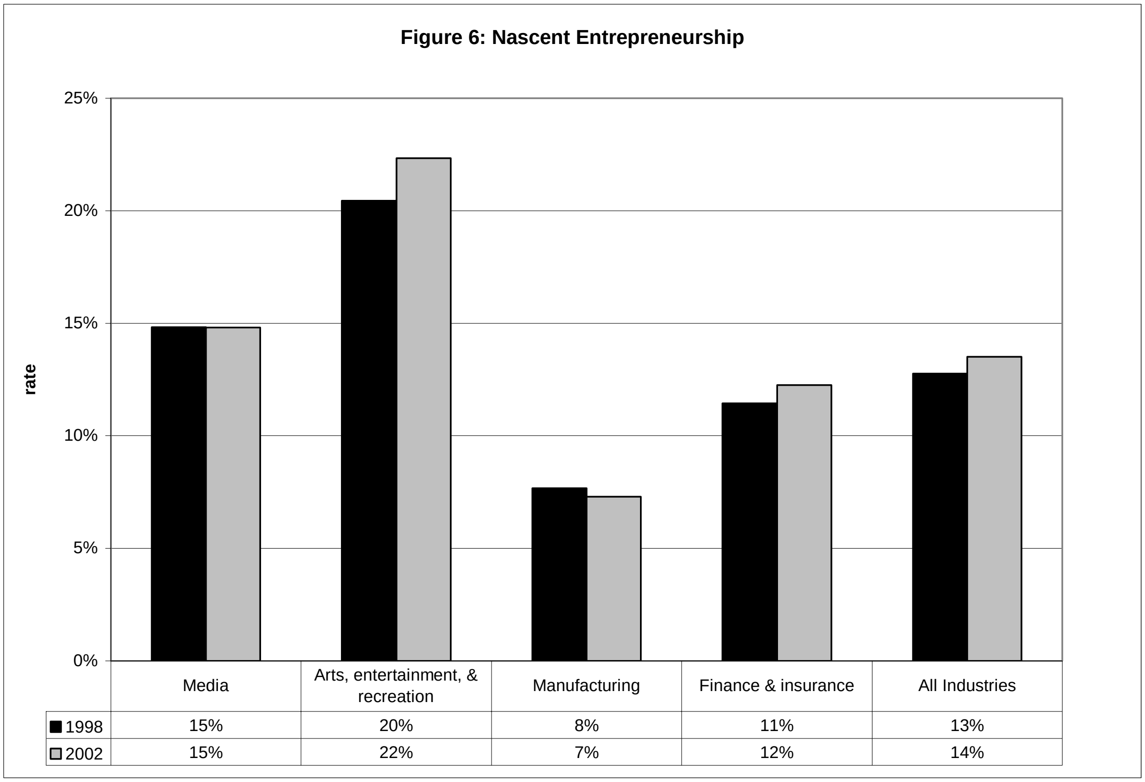


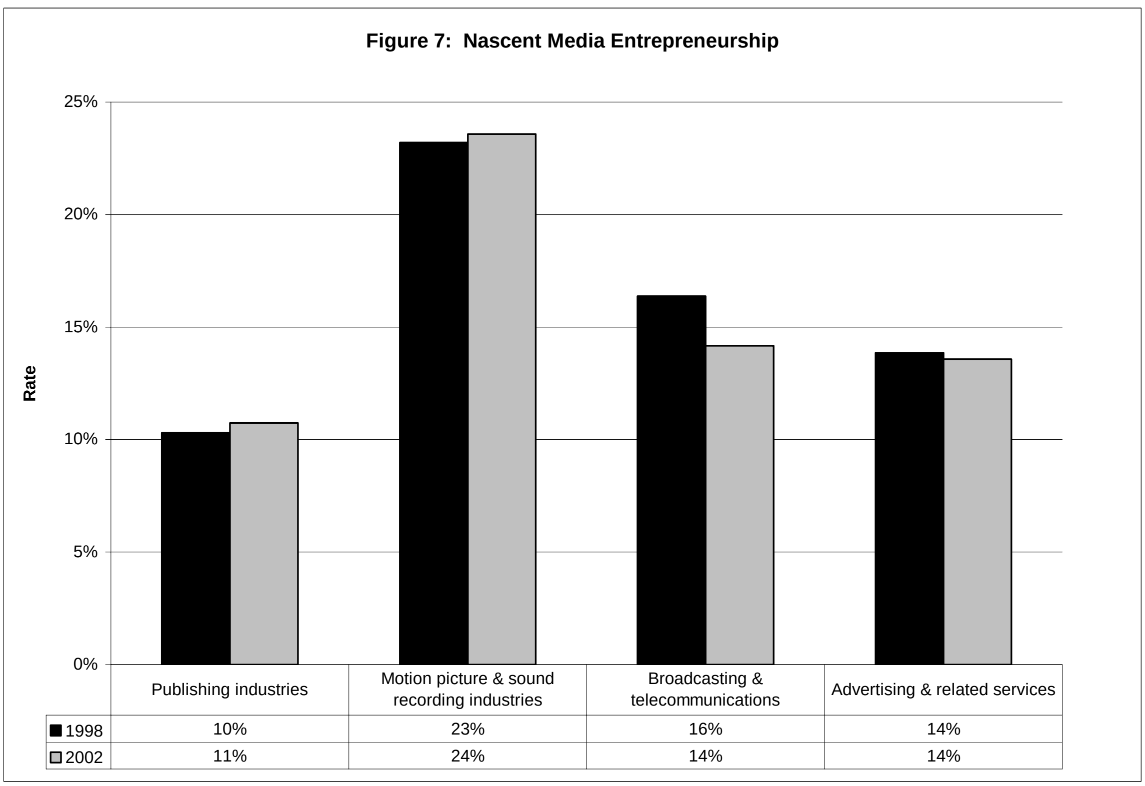
	Publishing	Telecoms	Radio & TV B'casting	Cable	Advertising	Motion Pictures
1990	20%	16%	22%	22%	30%	33%
1997	17%	29%	29%	25%	31%	35%
1998	17%	41%	25%	26%	28%	26%

Figure 5: Media Industry Turbulence, NAICS system



	Newspaper, Periodical & Book Publishing	Telecoms	Radio & TV B'casting	Cable	Advertising	Motion Pictures	Recorded Music
1999	20%	40%	26%	26%	25%	29%	33%
2001	19%	40%	45%	38%	25%	29%	27%





Sources: U.S. Economic Census, SUSB, www.sba.gov