
2008 GAY PRESS REPORT

This is the fifteenth annual edition of the Gay Press Report.

The Gay Press Report is sponsored by Prime Access Inc., a New York advertising agency, and Rivendell Media Company Inc., a media placement firm based in New Jersey.

Prime Access is the leading advertising agency for reaching the gay and lesbian market, and has represented more Fortune 500[®] companies in the market than any other advertising agency.

Rivendell Media works exclusively in the gay and lesbian market, and represents more than 200 gay and lesbian publications across North America.

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INTRODUCTION

Many things happened on the GLBT front during the year covered by the 2008 Gay Press Report (May 2007 through April 2008). Heath Ledger died; Senator Larry Craig was arrested in an airport bathroom for making a pass at the man in the next stall; Mary Cheney (daughter of Vice President Dick Cheney and partner of Heather Poe for 15 years) gave birth to a son; the Pope declared that marriage by gay and lesbian couples is a “threat to world peace;” “Dear Abby” announced her support for marriage equality; and Harry Potter author JK Rowling revealed that Professor Dumbledore is gay.

Most of the serious debate continued to focus on marriage (or relationship) equality – should gay couples be allowed to marry, have civil unions, or be given no recognition whatsoever when it comes to legalizing relationships with their partners?

This argument was fueled by the fact that in November 2003, the state of Massachusetts legalized gay marriage (and in June 2007 defeated a proposed amendment to outlaw the same). By the spring of 2008, more than 10,000 Massachusetts same-sex couples had wed. And for a brief period in 2004, it had looked like San Francisco might follow suit. (Later in 2008 – from June to November, beyond the scope of this report – the California Supreme Court allowed same-sex marriage throughout California, until the passage of Proposition 8 stopped this cold.)

Such events galvanized the opposition to same-sex marriage and fueled its proponents. By 2008, 29 states had passed constitutional amendments banning same-sex marriages (a gain of two since our previous report), and 26 states amended their constitutions to define marriage as the union of a man and a woman.

At the same time, it became apparent that public opinion toward gay marriage was changing. For example, a CBS News/*New York Times* poll conducted in May–June 2008 reported that 30% of the public believed gay couples should be allowed to legally marry (up two points from a year earlier, and up a significant seven points since 2005).

Meanwhile, several states – New Jersey, New Hampshire, Connecticut, Vermont and Oregon – offered gay couples the protection of civil unions or domestic partnerships, and New York State began to recognize same-sex marriages performed in other jurisdictions. In addition, hate crimes legislation passed both houses of Congress by wide margins.

Business support for GLBT rights continued to expand, as 195 corporations earned a score of 100% on Human Rights Campaign’s Corporate Equality Index and 153 Fortune 500 companies pledged to protect transgender workers from discrimination. At the beginning of 2008, 20 states had laws prohibiting employment discrimination based on sexual orientation, and 12 states (plus Washington, D.C.) had laws prohibiting employment discrimination based on gender identity. During the same time period, 28 flag officers came out in opposition to Don’t Ask, Don’t Tell.

Then in November 2007, a number of openly gay officials were elected to office, including a gay mayor in Michigan, two openly gay officials in Minnesota, and a transgender woman in Tennessee.

The other key debate was about the right of same-sex couples to parent and/or adopt children. Once again, a number of states considered laws, and even constitutional amendments, to bar gays and lesbians from adopting and/or foster parenting.

So it was a year that marked continuing progress, and set the stage for momentous events to come.

BACKGROUND AND METHODOLOGY

Background

The Gay Press Report provides a unique service for advertisers and publishers as it is the only source of data on advertising in the gay and lesbian press.

Each year its sponsors gather the totality of gay and lesbian publications to measure the scope of their current advertising, count the numbers of ads, analyze the content, and publish this report. Thus changes can be tracked over time, and comparisons made across industries.

The Gay Press Report is therefore a valuable resource for advertisers, publishers and other parties who are interested in and want to better understand and gain deeper insights into the gay and lesbian market.

While it is difficult to specify the size of the GLBT segment (estimates range between 4% and 10% of all U.S. adults, as few as 9 million or as many as 22 million people), we know that gays and lesbians are both affluent and influential. In 2008, the buying power of these consumers was estimated at \$712 billion. Thus they are vital contributors to the U.S. economy, but often remain below the radar and under-reported.

Like all consumers, gays and lesbians gravitate toward products and brands that advertise directly to them. Moreover, recent studies have shown that as a group, they tend to exhibit stronger brand loyalty than their heterosexual counterparts. As a result, increasing numbers of advertisers have chosen to make this group a marketing priority.

Methodology

The gay and lesbian press includes all publications aimed at the GLBT market – local newspapers, magazines and A&E guides, as well as national magazines.

As might be expected, the content of the gay and lesbian press changes from year to year. While some publications continue long-term, new ones appear and old ones disappear. But each year we make every attempt to gather the totality of what has been published, especially during the month of April.

We choose April – as we do every year – as the basis for the Gay Press Report because what occurs during April is widely regarded as being typical of what happens during other months in advertising. Thus we use figures from April to portray all that has transpired in the 12 months since our previous report (here May 2007 through April 2008).

Most gay and lesbian titles publish on Fridays. As the number of Fridays in April varies from year to year (four to five), we employ a time frame of five Fridays (four calendar weeks plus one day) to represent every April, beginning with the first Friday in April. Thus for the 2008 report, we began gathering publications dated the first Friday (in this instance April 4), and stopped collecting them four weeks and one day later, on the fifth Friday (May 2). Using this 29-day period guarantees methodological consistency, and allows us to make apple-to-apple comparisons from one April to the next.

For the 2008 Gay Press Report, we assembled and examined a total of 278 publications, the entirety of the gay and lesbian press published in April 2008, comprising 130 individual titles.

To construct the data, we analyze all ads in each publication, classifying them by type of advertiser (product or industry), and noting whether the content is gay-specific (that is, contains explicit references to gay and lesbian identity, either in art and/or message).

We also measure the size of each ad and calculate the revenue it represents. Using this methodology, we are able to estimate advertising spending in the gay and lesbian press.

EXECUTIVE SUMMARY

- Advertising growth in the gay and lesbian press continues to outpace advertising growth in consumer magazines. 2008 numbers for the gay and lesbian press are up an impressive 320% since 1996, compared to 39% for consumer magazines during the same time period. This translates to compound annual growth rates (CAGR) of 12.7% and 2.8%, respectively, demonstrating that advertising in the gay and lesbian press continues to grow more than four times as fast as advertising in consumer magazines.
- In 2008, ad spending in the gay and lesbian press was \$307.7 million, up 31.2% from 2007, the third highest increase on record. Meanwhile, ad spending in consumer magazines reached an all-time high of \$12,480 billion (a loss of 9.7% since 2007, and a harbinger of things to come).
- Advertising with “gay-specific” content (ads with specific references to gay and lesbian lifestyles in images and/or messages) now accounts for a majority of all ads – 57.4%, an all-time high – up 10.0% over 2007. This represents a remarkable change since 2002, when “gay-specific” content was found in only 9.9% of ads.
- In national gay and lesbian magazines, whose advertising pages are dominated by national brands, the percentage of gay-specific advertising is now 81.4%, which represents an astounding increase of 64.8% over 2007. Thus gay-specific ads account for more than four-fifths of all advertising in such magazines.
- The combined circulation of all publications in the gay and lesbian press is now 3,296,700, up 8.0% from a year ago.
- This year we identified a total of 23,030 ads, distributed as follows: 98.3% are in local publications, with local newspapers accounting for most (55.4% of all ads in the gay and lesbian press appear in local newspapers), followed by local magazines (32.6%) and A&E guides (10.3%). In contrast, national magazines comprise 1.7% of all ads.

DETAILED FINDINGS

1. Advertising Spending in the Gay and Lesbian Press

2008 has been a blockbuster year for the gay and lesbian press, garnering not only the highest revenues on record (\$307.7 million), but also representing the largest increase over one year since 2000 (+31.2%).

Meanwhile, consumer magazines revenues registered \$12,480 billion, a loss of 9.7% since 2007.

(Note: Advertising spending for consumer magazines also includes advertising spending for the gay and lesbian press. Here we treat them separately, in order to highlight differences.)

As usual, advertising spending in consumer magazines is far greater than it is in the gay and lesbian press. But – as shown by two different measures – advertising spending achievements of the gay and lesbian press far outshine those of consumer magazines:

- (1) Looking at 1996 to 2008, we find that revenue for the gay and lesbian press increased by an impressive 320% during that time period; comparable spending for consumer magazines attained a much smaller 39%.
- (2) In addition, a calculation of compound annual growth rates (CAGR) during the same period demonstrates that spending for the gay and lesbian press grew more than four times as fast as revenues for consumer magazines (achieving a CAGR of 12.7% versus that of 2.8% for consumer magazines).

2. Ads with Specific Gay and Lesbian Content

Percent of Gay-Specific Ads by Type of Publication

The *percent* of gay-specific ads (ads with explicit references to gay and lesbian consumers and lifestyles in image and/or message) continues to grow, and now reads 57.4%, an all-time high. This means that in 2008, 13,210 of 23,030 total ads had gay-specific content, an increase of 10.0% over 2007. (At the same time, the number of gay-specific ads fell 11.4% percent, but not as steeply as the number of all ads in the gay and lesbian press: -19.4%.)

Just six years ago, in 2002, only 9.9% of all ads were gay-specific. In 2003, the proportion grew to 15.1%, and in 2004 – the year gays and lesbians were first allowed to marry – it jumped to 44.1%. By 2005, the percent had risen to 50.3%, representing over half of all ads. In 2006, this measure slipped to 48.6% but rebounded to 52.2% in 2007, and has now reached a pinnacle of 57.4%.

Looking at the percent of gay-specific ads by type of publication, we see that national magazines have the highest proportion of such ads (81.4% are gay-specific), followed by local A&E guides (72.1%), local magazines (61.0%) and local newspapers (51.7%). Thus gay-specific ads now account for a majority of ads in all types of gay and lesbian publications.

Changes in percentages since 2007 indicate that the proportion of gay-specific ads in national magazines has risen 64.8%. Smaller increases are noted in local newspapers (16.2%) and local magazines (12.5%), while the percent in local A&E guides is up only 1.5%.

Number of Gay-Specific Ads by Type of Publication

As expected, the distribution of gay-specific ads mirrors the distribution of all ads in the gay and lesbian press. Thus the largest proportion of gay-specific ads is featured in local newspapers (50.0% of all gay-specific ads), followed by local magazines (34.7%) and local A&E guides (12.9%). In contrast, gay-specific ads in national magazines account for just 2.4% of all such ads.

Comparing 2008 to 2007, we find the same parallels for the numbers of gay-specific ads vs. the numbers of all ads. Overall, the count of gay-specific ads is down 11.4% (the number of all ads also declined). Moreover, the number in local newspapers is down 2.4%. Larger losses are noted in national magazines (down 39.2%) and in local A&E guides (-58.1%); the exception is the count of gay-specific ads in local magazines, where the number has increased by 29.3% (also reflected in total ad counts).

3. Composition and Size of the Gay and Lesbian Press

As mentioned above, each year we gather all gay and lesbian publications issued in the 29-day period beginning the first Friday in April (the totality of the gay and lesbian press) and proceed to count, measure, classify and analyze the advertising in those publications.

Altogether, we review four different types of publications – three local (newspapers, magazines and A&E guides) and one national (magazines).

In 2008, the gay and lesbian press was comprised of 278 issues, representing 130 individual titles. Even though these numbers are similar to those in 2007, the titles are not necessarily the same. (There are a number of long-lived titles that publish year to year, but most change over time, as evidenced by a superficial comparison of the numbers of issues by type of publication in 2008 vs. the comparable time period in 2007 showing decreases of seven national magazine issues and 15 local A&E guides and increases of five local magazines and 20 local newspaper issues. Even if the overall numbers matched those in 2007, the titles would not.)

Nevertheless, in 2008, the combined circulation of all these publications was 3,296,700, up 8.0% from the totality a year ago.

The only increase is noted for local magazines, where circulation numbers are up 51.4%. All other publications post losses: -1.0% for local newspapers, -20.3% for national magazines and -28.3% for local A&E guides.

4. Advertising Activity in the Gay and Lesbian Press

Distribution of Ads

As noted in previous years, advertising activity in the gay and lesbian press is concentrated in local publications (which account for 98.3% of all ads placed). Such publications include local newspapers (with 55.4% of all ads, representing a majority), local magazines (with 32.6%) and A&E guides (10.3%).

Conversely, national magazines claim 1.7% of ads.

Growth in Ads

The number of ads in 2008 totals 23,030, a decrease of 19.4% since 2007.

Three types of publications record significant losses in their number of ads, beginning with local newspapers (down 16.1%) and continuing to local A&E guides and national magazines, both of which register considerable declines (58.8% and 63.1%, respectively). Meanwhile, local magazines claim an increase; ads in these publications are up 14.8%.

Number of Ad Pages

A similar trend is noted for number of ad pages, as that measure is related to number of ads. Overall, ad pages are down 18.2% since 2007.

Not surprisingly, changes in ad pages by type of publication mirror changes in numbers of individual ads by type of publication. In 2008, local magazines attain a small increase in number of ad pages – 7.6% – while ad pages in all other types of publications are down. Since 2007, local newspapers have lost 16.0% of ad pages. Concurrently, ad pages in local A&E guides have declined 48.3% and those in national magazines have fallen 56.8%.

At the same time, the ratio of individual ads to ad pages is holding steady. In 2008, this averages 1.49 ads for every ad page (compared to 1.51 in 2007, 1.50 in 2006 and 1.52 in 2005), meaning that for the past four years, gay and lesbian publications have featured about the same number of ads per page. Meanwhile, advertising revenues have continued to climb (and are now at \$307.7 million, up 31.2% since 2007). Since revenues are up and both ad numbers and ad pages are down, this indicates that ad rates must have risen considerably.

5. **Broad-Based Product Categories Represented in the Gay and Lesbian Press**

As in previous years, the broad-based product category with the largest number of ads is Eat and Drink (which also includes Bars & Clubs and Restaurants). In 2008, this category represents 16.4% of all ads. Eat and Drink is followed by Services/Non-Medical (relatively large ads placed by lawyers and accountants, but not doctors), which equals 11.0%, and Professional Services (smaller ads, about the size of a business card, placed by doctors, lawyers and accountants), which accounts for 8.9% of all ads.

The first two categories, along with Real Estate, have claimed either first, second or third place every year since 2004. This year, however, Real Estate has plummeted to seventh place (7.4%, down 34.8%). Instead, Health/Fitness/Grooming is fourth (8.3%), Travel is fifth (7.7%) and Arts & Entertainment is in sixth place (7.6%).

Other product categories responsible for at least 5% of all ads include Retail (6.1%) and Medical/Health-Related (5.5%).

In 2008, only one category shows a significant increase over 2007. Professional Services (small space ads) is up 45.1%. Four categories are similar to what they were in 2007 (plus or minus no more than 10% vs. a year ago), and thirteen record significant decreases. Those with the most prominent losses are Eat and Drink (-25.0%), Fashion & Accessories (-30.7%), Real Estate (-34.8%), Phone Services/Personals (-44.4) and Events (-57.5%).

The most notable of the decreases is Phone Services/Personals, traditional ads that typically use phrases like "GWM looking for...." This type of ad has long been a mainstay of gay and lesbian lifestyles, but apparently reached its peak in 2004, when it amounted to 3,829 ads. Since then, such ads have been migrating to the Internet. The decline is startling. By 2005 the number dropped to 2,363; in 2006 it was 1,904. In 2007 it fell even further, to 1,756. And most recently, in 2008, Phone Services/Personals accounts for only 977 ads.

The Arts & Entertainment category has also been dwindling since 2004, but its losses are not nearly as apparent.

6. **Line Item Product Categories Represented in the Gay and Lesbian Press**

When we review individual line items within all broad-based product/industry categories in terms of distribution (the percent of all ads that each represents), we find that the following items comprise our top ten list for 2008 (there are actually eleven items this year, as there is a tie). (Broad categories with no subcategories are included.)

Bars & Clubs (11.9% of all ads). This item has long been a pillar of gay and lesbian advertising, having occupied one of the top three categories since 2002. (Two years ago the number one spot was filled by Real Estate, which is now in fifth place.) Bars & Clubs is a subcategory of Eat and Drink, along with Restaurants (see below), which accounts for 16.4% of all ads placed in the gay and lesbian press. Ads in this category are for bars and clubs serving a gay clientele and other gay-friendly customers. These types of establishments often have floor shows and/or sponsor theme nights (like '80s Night or Bingo Night).

Services/Non-Medical (11.0%). This broad-based category with no subcategories was in first place from 2002–2005, accounting for the largest proportion of ads. In 2006 it fell to number three, and is now in second place for the second straight year. This category covers ads for services rendered by lawyers, counselors/therapists and other professionals, but not doctors. It is similar to Professional Services (see below), but different in that it features larger ads. Since 2004, this classification has included ads for professionals who provide wedding services.

Professional Services (small-space ads, 8.9%). As mentioned above, these ads are smaller than those in the Services/Non-Medical category. Many look like business cards, and are placed by local doctors, dentists, chiropractors, lawyers and accountants. Occasionally they reveal that the professional placing the ad runs a gay-owned and/or operated business, or is gay-friendly. (This is also a broad-based product category.)

Fitness/Health (7.9%). While usually among the top ten, this is the second year in a row that Fitness/Health has reached such heights on our list (usually it comes in at sixth or seventh place). Ads in this category publicize local health clubs as well as other businesses that help people achieve and/or maintain a healthy lifestyle. (Fitness/Health is the largest subcategory in Health/Fitness/Grooming, which now accounts for 8.3% of all advertising in the gay and lesbian press.)

Real Estate (7.4% of all ads). Real Estate is now in fifth place (after achieving third in 2007, first in 2006 and second in 2005). Prior to that, it had been either third or fourth since 2002 (and thus has reflected the rise and fall of the housing market). Gays and lesbians (like their heterosexual counterparts) are interested in finding homes and condos for sale or rent in desirable areas. Moreover, they are particularly interested in communities that are open to gays, and are very

responsive to ads directed especially to them. (Real Estate is a broad-based product category with no subcategories.)

Retail Products & Services (5.5%). This line item is making its fifth appearance in the top ten (the first time was in 2003, when we began to track retail). Advertising here covers all retail products except fashion/clothing, home décor and electronics. (This item is a subcategory of Retail, which represents 6.1% of all ads.)

Restaurants (4.5%). This line item is a subcategory – along with Bars & Clubs – of Eat and Drink (which equals 16.4% of all ads). It is usually among the top ten, and covers gay-owned or gay-friendly local restaurants (not including chains).

Phone Services/Personals (4.2%). As mentioned earlier, this broad-based product category continues to decline. It is now in eighth place (after being second in both 2003 and 2004, fourth in 2005, fifth in 2006 and sixth in 2007). Ads are for 800- and 900-number phone services and phone-based personal ads, including traditional personals such as “GWF, 30-something; loves Melissa Etheridge music and dogs; looking for a long-term relationship,” as well as ads for chat lines, escort services and special massage. Phone Services/Personals has long been a key component of gay and lesbian advertising, but times are changing, and this category continues to migrate to the Internet.

Theater/Dance (4.1% of all ads). Despite an absence in 2006, Theater/Dance has always been among the top ten. Ads here are for Broadway shows and local and regional theaters, some of which present gay-themed productions. (This item is a subcategory of Arts & Entertainment, which comprises 7.6% of all ads.)

Medical–Non-HIV (2.9%) is a newcomer to the top ten list (except for an appearance in 2002), and is tied with Destinations (see below) for tenth place. It is a subcategory of Medical/Health-Related, which accounts for 5.5 of all gay and lesbian ads.

Destinations (2.9%). This item, also a newcomer to the top ten, vies with Medical–Non-HIV above for tenth place, and falls under the broader category of Travel, which in 2008 represents 7.7% of all ads.

7. Changes in Line Item Product Categories Since 2006

In 2008, sixteen line items show significant gains over their numbers in 2007. The most impressive are Florists/Nurseries (up 82.8%), Sports (+82.5%), Helpline (+81.5%), Liquor-Non-Beer (+64.2%) and Travel Destinations (+63.3%).

In addition, Hair Growth is up 45.8%, Electronics up 39.3% and Radio up 30.8%. Other important gains are seen for TV/Cable (up 24.3%) and Insurance (up 20.2%).

Meanwhile, 32 line items indicate significant decreases. The larger of these are Regular Events/Entertainment (down 100.0%, from 52 ads in 2007 to none in 2008), Vitamins (down 95.7%, a decrease from 46 ads to two), and Viaticals (down 89.7%, from 68 ads to seven).

Meanwhile, Cosmetics is down 81.3% (from 342 ads to 64) and Pharmaceuticals has slipped 71.6% (from 299 ads to 85).

Other noteworthy losses are Beer (-65.0%), Gay Events/Meetings (-63.8%) and Mortgages (-55.0%).

Note: In this discussion, ad numbers that grew or declined beyond a count of 30 are noted.

8. Broad-Based Product Categories with Specific Gay and Lesbian Content

Altogether, the percent of ads in the gay and lesbian press that are gay-specific is up 10.0% over 2007. Now there are eight broad-based product categories in which a majority of ads are explicit: Phone Services/Personals (100.0% of ads in this category are gay-specific), Travel (94.3%), Gay-Oriented Media (85.8%), Health/Fitness/Grooming (82.4%), Classifieds (81.6%), Events (80.2%), Eat and Drink (76.1%) and a newcomer in 2008 – Arts & Entertainment (66.5%).

Classifications that have the smallest proportions of gay-specific ads are Automotive (10.8%) and Home (14.8%) (the same two as before), although progress is being made in these areas (see below).

Since 2007, the percent of gay-specific ads for Professional Services (small space ads) has grown by 77.6%. Other sizeable increases are noted for Home (+70.1%), Services/Non-Medical (+52.6%), Arts & Entertainment (+38.5%), Financial Services (+33.7%), Classifieds (+24.2%) and Automotive (+21.3%).

In addition, Retail shows a 19.9% increase and Health/Fitness Grooming reflects an upturn of 11.1%.

Only one category registers a significant decline in the percent of gay-specific ads – Beverage Alcohol (down 33.2%). At the same time, 25.7% of ads in this sector remain gay-specific.