



Written by [Alex Newman](#) on July 15, 2009

BusinessWeek Could Sell for \$1

“Given the current market environment, the corporation has decided to explore strategic options for *BusinessWeek*,” wrote magazine president Keith Fox on Monday in a memo to employees. McGraw-Hill and Evercore have so far declined to comment.

BusinessWeek, founded in 1929, claims to have a circulation of nearly a million. And according to the Audit Bureau of Circulations, the number of readers has remained steady over the last decade. The magazine’s annual revenue is estimated by J.P. Morgan at between \$100 million and \$150 million. But despite its long history and large budget, advertising revenue at the firm has declined for seven of the last eight years.



Chicago Business reported that according to industry trade group *Magazine Publishers of America*, *BusinessWeek*’s number of ad pages dropped 34 percent just in the second quarter, worse than the average of 30 percent. Revenues plunged 22 percent year-over-year in the same quarter. And according to the *Publishers Information Bureau*, ads in the magazine went down 40 percent from 2004 to 2008 and revenue fell by a third in just the first half of 2009.

“It certainly makes all the sense in the world for them to sell it, even though in my view there is likely to be minimal proceeds, if any,” analyst Peter F. Appert told *The New York Times*. “There could be buyers, if the definition of a buyer is someone who’s willing to take it off their hands.” He estimated that the sale would save McGraw-Hill \$10 million to \$20 million in annual losses and told the *Financial Times* it would remove “a continuing distraction.”

Several potential buyers have already been ruled out, including Conde Nast, News Corp., and Time Warner. More likely candidates would be OpenGate Capital, Platinum Equity or Mansueto Ventures, according to an expert cited by the *Financial Times*. Like *TV Guide* which sold earlier this year, sources familiar with *BusinessWeek*’s financial losses said the magazine could sell for as little as one dollar.

McGraw-Hill earns most of its revenue from its Standard and Poor segment and its educational publishing business. It has already sold most of the publications it owned, though it will keep *Aviation Week* for now.

The problems plaguing the publishing industry aren’t likely to dissipate any time soon. With the emergence of the internet and the access to free information it provides, many publications will have to re-shape their business models for a changing landscape. The economic crisis is also taking its toll on the industry, depressing revenues, and putting increased pressure on magazines and newspapers. Many publications will fail altogether, as some already have. Some analysts speculate that if periodicals told the truth about what is going on in the world, they could re-claim a fair share of the market. Hopefully



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