By Stephen D. Reese, John A. Daly and Andrew P. Hardy

Economic News on Network Television

*Ten-year study finds
economic news is significant
part of newscasts and is
treated much the same
as other kinds of news*

▶ Nineteen-Seventy-Two was the last year Americans reported Vietnam as the single most important problem facing the nation. Since that time the economy has been the dominant concern.[1] Corresponding with this shift in issue importance, television news expanded the prominence and frequency of economic reporting in 1973 and 1974 to four times the levels of the 1960s.[2] This rise surpassed the relative amount of coverage newspapers gave economic stories, suggesting that television in the early 1970s magnified the amount of economic

information available to the public.[3] And, in fact, research suggests that the public does learn from this coverage. Adoni and Cohen found self-reported economic news viewing positively related to both subjective and objective knowledge of the economy.[4]

Anecdotal examples suggest that economic news has become even more prominent, on television particularly, in the late 1970s and early 1980s. Programs devoted to economics, like "Wall Street Week" and "The Nightly Business Report" on PBS, have become popular, and regular news shows have added economic reports (e.g., ABC's "Money Matters" and CNN's "Moneyline"). This economics coverage on television, however, is prone (if not more so) to the same criticisms directed to the media in general. Economics journalism is charged with being factually sloppy; oversimplifying, sensationalizing; focusing on personalities over issues, discrete events over trends, the short-run over the long-run, and bad news over good.[5]

Given that economics is a major component of television news coverage and that network news has a potentially important impact on public opinion[6] it is important to describe the extent and nature of economic news on television. A review of the literature, however, showed that only one study has been done examining economic news on television, and it focused on business news only,[7] as have other studies focusing on the print media.[8]

[1] See Thomas W. Smith, "The Polls: America's Most Important Problems, Part I: National and International," *Public Opinion Quarterly* 49:264-274 (Summer 1985) He notes that economics has completely dominated public concerns the last 10 years, often capturing 60% of the responses.

[2] Richard L Rubin, *Press, Party and Presidency* (New York: W.W Norton, 1981).

[3] Rubin, *op. cit.*, p. 160.

[4] Hanna Adoni and Akiba A Cohen, "Television Economic News and the Social Construction of Economic Reality," *Journal of Communication*, Fall 1978 pp. 61-70.

[5] William C. Wood, "The Educational Potential of News Coverage of Economics," *Journal of Economic Education*, 16:27-35 (1985).

[6] See, for example, Harold G. Zucker, "The Variable Nature of News Media Influence," in Brent Ruben, ed., *Communication Yearbook*, Vol. 2 (New Brunswick: Transaction Books), pp. 225-240; and Roy L. Behr and Shanto Iyengar, "Television News, Real World Cues and Changes in the Public Agenda," *Public Opinion Quarterly*, 49:38-57 (1985)

[7] Joseph R. Dominick, "Business Coverage in Network Newscasts," *Journalism Quarterly*, 58 179-185 (1981).

J.T.W. Hubbard, "Business News in the Post-Watergate Era," *Journalism Quarterly*, 53:488-493 (1976); Ernest C Hynds, "Business Coverage Is Getting Better," *Journalism Quarterly*, 57:297-368 (1980); Robert A Peterson, George Kozmetsky and Isabella C.M. Cunningham, "Perceptions of Media Bias Toward Business," *Journalism Quarterly*, 59:461-465 (1982); S. Prakash Sethi, "The Schism Between Business and American News Media," *Journalism Quarterly*, 54:240-247
(footnote continued)

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More general studies of media economic coverage have been confined to how the economy was discussed in the presidential debates[9] and treated in newspaper editorials.[10]

This study uses a broader definition of economic news than prior studies. In addition to traditional "business" news, it examines coverage of economic indicators ("the economy"), foreign economic news and the economic activities of government. This study also tests Rubin's assertion that television news has politicized economic news[11] by examining mentions of government figures in different types of economic news stories. News coverage is examined over an eleven year period in order to evaluate changes over time. The years from 1973 to 1983 encompass an important economic period in American history, including the energy crisis, three recessions (1974-75, 1980 and 1981-82), the spiralling inflation of the late 1970s, and the ascendancy of Ronald Reagan supply-side economics. The following research questions are addressed.

> 1) What types of economic news were reported and to what extent?
> 2) What industries were mentioned and how frequently?
> 3) How was economic news covered, in terms of the use of film, the use of anecdotal examples, and the mention of government sources?
> 4) Did the amount of economic news coverage change over time?

Methods

Sample: Data for this study were gathered using the *Television News Index and Abstracts*, which Vanderbilt University publishes monthly describing its videotape collection in the Television News Archive.[12] In order to determine patterns of economic coverage over time, a 10-year period, 1973 to 1983, was systematically sampled every fourth day. Sampling yielded about seven days a month and, when substracting weekend nights when there was no program, 739 newscasts, and 2,483 separate economic news reports. A different network was assigned to each successive day, yielding an approximately equal number of newscasts from ABC, CBS and NBC.

Measures: The unit of analysis used in content coding was the news report. The abstracts label separate stories in newscasts with an underlined heading describing it and listing the time it began in the newscast. However, within each story there is often more than one report. These reports were treated separately when they differed according to the categorization scheme described below.

Report Characteristics: Based on the Archive descriptions a number of gross properties of the news reports were determined. The length of each report in seconds was recorded from the time notations in the margins of the abstracts. Times for multiple reports were calculated by dividing the story time by the number of reports. The newscast order of each report was also determined, and in the case of multiple reports each was assigned the rank order of the story in which it was contained. In addition, the presenter (newscaster or correspondent), number of stories in the newscast and whether or not visuals were used were determined based on report descriptions in the abstracts. Each report was identified by month, date, year, day and network.[13]

Content Characteristics. As mentioned earlier, the definition of economic news used in this study is broad. A categorization scheme was developed which accounts for a wide range of activity relating to the

(1977). Also, see Herb Stein, "Media Distortions: A Former Official's View," *Columbia Journalism Review*, March/April, 1973, pp. 37-39; and Chris Welles, "The Bleak Wasteland of Financial Journalism," *Columbia Journalism Review*, July/August, 1973, pp. 40-49.

⁹ Warren E. Bechtoldt, Joseph Hilyard and Carl R. Bybee, "Agenda Control in the 1976 Debates: A Content Analysis," *Journalism Quarterly*, 54:674-689 (1977).

¹⁰ David S. Myers, "Editorials and the Economy in the 1976 Presidential Campaign," *Journalism Quarterly*, 55:755-760 (1978); and "Editorials on the Economy in the 1980 Presidential Campaign," *Journalism Quarterly*, 59:414-419 (1982).

¹¹ Rubin, *op. cit.*

¹² The Abstracts have been shown to be a reliable source of content analysis data in studies of international news (James F. Larson, *Television's Window on the World: International Affairs Coverage on the U.S. Networks* (Norwood, N.J.: Ablex, 1984).) and were considered to provide enough information to satisfy the needs of the present study.

¹³ For a more exhaustive description of the News Archive and using it for content analysis, see Larson, *op. cit.*.

production, distribution and consumption of goods and services.

The four major categories are 1) the actions of government: spending, taxing, and interventions, 2) the private sector: labor and business, 3) indicators: descriptions of the economy, and 4) foreign economic news. Specific sub-categories are listed in Tables 1, 2 and 3. Each report was placed in only one category based on its dominant theme. An industry classification scheme was also used. If a report referred to a specific industry it was placed in the appropriate category (if more than one industry was mentioned the dominant one was coded). Table 3 contains the list of industries. Descriptions of specific categories are included in the results below.

Reliability. To determine if these categorization schemes effectively classified news reports, three judges coded a wide range of stories to check agreement. There was almost complete agreement as to which reports to select for coding as economic reports (C.R.=.99).[14] Those reports were in turn reliably categorized by subject matter (C.R.=.89) and by industry (C.R.=.98).

Two other content characteristics were also coded. If a report summary mentioned one or more governmental branches or figures, it was coded executive, congressional, judicial or combinations of the three.[15] In addition, reports were checked for their use of anecdotal information. If a news report included personal examples of individual economic behavior or impacts it was considered anecdotal (e.g., someone out of work or worried about the high cost of living).

Results

Although economic news traditionally implies the activities of the private sector,

[14] Ole R. Holsti, *Content Analysis for the Social Sciences and the Humanities* (London: Addison-Wesley, 1979).

[15] If a branch of the federal government was mentioned or one of its members, it was coded accordingly. For example, an executive mention would include the president, any of his staff or cabinet, a department, or any executive agency. A congressional mention would include any member of congress, or creatures of congress, such as the Federal Reserve Board.

this study included the economic activities of government as well. These activities were given about as much coverage (37% of total reports coded) as those of the private sector (38%). Indicators (9%) and foreign economic reports (16%) accounted for the rest. The specific aspects of government economic activity coded are shown in Table 1, which indicates the proportion of news devoted to five major government categories: executive policy (e.g., Reaganomics), spending, taxing, interventions, and state and local government activity. Specific aspects of each major category are also shown. Note that categories are arrayed in logical order; if a report could not be described by more specific labels it was placed in a general category (e.g., general spending policy vs defense spending). Most news about the federal government's spending role focused on the general budget, with such controversial areas as defense, social security and welfare spending ranking next in emphasis.

The government's role as an economic regulator was also emphasized on the nightly news. The dominant category of "economic behavior regulation" included reports about the Federal Trade Commission, the Civil Aeronautics Board, and the Environmental Protection Agency. As expected, network news emphasized government at the national level. The actions of state and local government received relatively minor coverage. In Table 2 the proportion of economic news about labor and business is shown. The dominant labor category was collective bargaining, which included strikes, demands and negotiations. This is consistent with the traditional television news focus on conflict and dramatic stories. In business coverage, the "general business" category included reports about business and its products, whereas business activity refers to plant closings, and other types of business decisions. The major news emphasis was given to the prices business charges for its products and its sometime inability to provide those products (e.g., oil shortages). Table 2 also shows the amount of coverage spent on the tradi-

TABLE I

Proportion of Government Economic News Devoted to Subcategories

Category of Government	Time	Reports	Time	Reports
Executive Policy			5%	5%
Spending			38	37
General Spending	4%	5%		
Defense	9	9		
Domestic Aid	6	7		
Foreign Aid	1	2		
Social Programs (general)	5	4		
Social Security	9	9		
Welfare	9	8		
Medical Care	6	5		
Unemployment	3	4		
Veterans	3	3		
Education	2	3		
Housing	1	1		
Budget (general)	34	29		
Budget (specific agencies)	6	6		
Federal Employees	2	3		
	100%	100% (N=348)		
Taxing			11	12
General Taxing	6	6		
Federal Taxes	77	67		
Sales/Gas Taxes	14	21		
Postal Rates	2	6		
	100%	100% (N=113)		
Interventions			36	39
General Interventions	2	2		
Regulation of Economic Behavior	57	53		
Tariffs/Import Fees	19	18		
Wage-Price Controls	15	18		
Anti-Trust	4	6		
Monetary Regulation	3	4		
	100%	100% (N=368)		
State and Local Government			9	7
Spending	25	22		
Taxing	20	17		
Interventions	28	32		
Relations with Fed. Govt.	17	20		
	100%	100% (N=67)		
			100%	100% (N=934)

tional objective measures of how the economy is doing.[16]

The cost of living was the single most commonly covered indicator. Inflation and personal income were both included in this category since they both affect consumer buying power. This study also examined to what extent television covers news about economic situations and decisions in other countries. The economic actions of foreign governments received about as much coverage as the traditional subjects of labor unrest and strikes. The government action category included decisions by groups of nations, such as O.P.E.C., many of which had a direct impact on the U.S. economy (Table 3).

[16] Indicators do not include the brief captions which some networks display on the screen before breaking for commercials.

TABLE 2

Proportion of Labor, Business and Economic
Indicator Reports Devoted to Subcategories

Category	Time	Reports
Labor		
Employment	9%	8%
Union Activity	4	4
Strikes/Contracts/		
Demands	21	21
Business		
General Business	6	5
Business Activity	9	9
Prices	14	18
Shortages	12	9
Sales	7	7
Production	4	5
Profits	4	5
Political Activity	4	5
Bankruptcy	3	3
Credit	1	1
N=950	100%	100%
General Indicators	23%	22%
Cost of Living	28	22
Unemployment	12	9
Bank Rates	8	13
G.N.P.	8	10
Stock Market	6	5
Public Opinion	6	4
Trade Balance	5	11
Gold Rate	2	2
Productivity	2	2
N=402	100%	100%

TABLE 3

Proportion of Foreign Economic News
Devoted to Subcategories and
Proportion of All Economic News
Related to Specific Industries

Category	Time	Reports
General Foreign	16%	14%
Govt. Economic Actions	18	21
Labor/Strikes	18	20
Prices/Inflation	13	15
Trade Regulations/		
Tariffs	10	10
N=245	100%	100%
Industry		
Energy	30%	28%
Food/Agriculture	13	15
Automotive	10	13
Transportation	10	10
Municipal/State Govt.	9	6
Mining	5	4
Manufacturing	3	4
Housing	3	4
Financial	3	4
Education	3	2
Media/Entertainment	3	2
Federal Government	3	3
Sports	3	2
Medicine Health	2	2
Other	2	2
N=1,480	100%	100%

Industries to which economic news refers are also listed in Table 3. Of all the stories coded, 43% mentioned some specific industry. Not suprisingly, energy received the most coverage, since the study period included a major upheaval in the sources and prices of oil. The coverage reflects the relative importance of the different industries to the U.S. economy. As the largest single manufacturing industry, automaking is the modal "blue-collar" TV news story, while energy, farm and transportation industries have the most wideranging impact on consumers. (Federal, municipal and state governments were treated as industries, when news reports dealt with their employees, such as the military, bureaucracies and city workers).

Table 4 describes how different categories of economic news are presented. Specifically, what proportion of reports are presented visually with newsfilm, what proportion utilize anecdotal illustrations, and what proportion mentions sources from one of the three branches of federal government. All three characteristics vary significantly across the major collapsed categories of economic news. General reports about the economy ("Indicators") were least likely to be film stories (25%), while labor stories were most apt to be visualized. The majority (53%) of business stories were not visualized. This supports the notion that the resources of television news organizations, in this case the film crew, are most apt to be spent on the highly visualizable, graphic stories of conflict like labor problems, rather than the more abstract and general reports of business activity.

Reports were also examined for anecdotal treatment. Anecdotal was defined as

TABLE 4

Treatment and Mention of Government Sources as Percent of Evening Network Newscast Reports

Economic News Categories:	Visualization		Approach[a]		Government Source Mentioned[b]			Total
	Film	No-Film	Anecdotal	General	Executive	Congress	Judiciary	
Government	55.9%	44.1%	10.2%	89.8%	67.5%	16.0%	2.6%	36.8%
Labor	60.8	39.2	26.4	73.6	22.5	1.3	1.9	12.5
Business	47.3	52.7	17.9	82.1	25.4	5.9	2.4	25.4
Indicators	24.7	75.3	8.4	91.6	36.4	1.0	0	15.8
Foreign	49.8	50.2	3.8	96.2	13.4	.8	.4	9.6
Total:	48.8	51.2	13.3	86.7				100.0

$$X^2 = 127.7 \qquad X^2 = 91.9 \qquad X^2 = 801.5$$
$$d.f. = 4 \qquad d.f. = 4 \qquad d.f. = 12$$
$$p < .0001 \qquad p < .0001 \qquad p < .0001$$

[a] A report was coded as completely anecdotal if it contained any anecdotal features.

[b] Some reports contained multiple mentions, so categories are not mutually exclusive.

illustrating a report with the individual situation of one or more persons (e.g., an unemployed autoworker or a housewife complaining about high prices at the supermarket. If one anecdotal illustration was used, the entire report was considered an anecdotal report. Given that anecdotes are often designed to show how events are affecting people like the viewer, it's not surprising that foreign reports were least likely to include them (4%). On the other hand, labor reports were most likely to be treated anecdotally (26%). By contrast, more abstract stories of the economy ("indicators") were least likely to include anecdotes (8%). Not only does labor news lend itself to visualization but to anecdotalization as well.

Table 4 also shows that government sources are included in a significant proportion of economic stories. As Rubin has shown, in a study of economic stories from 1963 to 1975, the national audience of network news causes it often to link stories to national institutions (an analysis of the three leading stories in CBS newscasts showed that 80% of economic stories had political referents). By directing attention in that direction, he suggests that TV news stories imply an "expectation of action" from national political leaders.[17] This study does not reveal the high level of political references that Rubin found. In the three categories most likely to conform to Rubin's "economic news," (labor, busi-

ness and indicators) only about 28% on average mentioned the executive branch, and only about 3% on average mentioned congress or the judiciary. This difference in findings may be due to the different time period studied, or that government news tends to lead the newscast (and this study examined all newscast stories).

It is clear that government news is not the only category including government sources.[18] The executive branch is the clear economic leader, judging by its disproportionate mentions compared to congress and the judicial branch. The greater number of executive mentions in the "indicators" category, compared with the others, reflects the tendency of the White House to take the lead in releasing economic figures, projections, etc.

The changes in newscast time devoted to economic stories is seen in Table 5, reported as the proportion of total newscast time devoted to economic stories. Government economic news received the highest proportionate percentage of time (8.5%), followed by business (5.4%) and labor news (2.9%). Combining the labor, business and indicator categories shows that an average of 10.7% of newstime was devoted to those stories. Only the indica-

[17] Rubin, op. cit.

[18] Note that a few government stories did not have any government mentions. A story about the impact of wage and price controls, for example, might not have mentioned any specific government body or official, but would be considered a case of government economic intervention.

TABLE 5

Economic News as a Percent of Total Evening Network Time[a], 1973-1983

Economic News[b] Categories	Year											11-yr Average
	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	
Government	9%	8%	11%	6%	11%	9%	10%	5%	11%	8%	7%	9%
Labor	2	3	2	3	3	4	2	1	5	5	3	3
Business	7	7	7	4	5	7	6	3	5	5	4	5
Indicators	2	3	3	1	1	3	3	3	3	3	2	2
Labor/Business Indicators Combined	11	13	13	7	9	14	11	7	12	13	9	11
Foreign	1	2	2	2	2	1	3	3	5	3	2	2

[a]Although time percentages roughly mirror report percentages (Tables 1, 2 and 3) using time ensures that changes in length of stories over the years do not distort the findings.

[b]Only "Indicators" and the "Combined" categories show statistically significant changes over the period, examined by month, $F_{(131)} = 2.2$, $p = .02$ and $F_{(131)} = 2.1$, $p = .03$, respectively.

tors category and the combined category (perhaps by the contribution of indicators) show statistically significant differences over the 11 year period. None of the proportions, however, vary substantially from one year to the next, and no systematic trend up or down is evident.

The Arab oil embargo was responsible for a major increase in the time devoted to economic news. Economic news appears to peak on either side of the 1974 recession, but takes a major dip to accommodate news about Watergate and the summer resignation of President Nixon. Following Watergate, however, economic news makes a steep comeback, the rise coinciding with President Ford's much-maligned "Whip Inflation Now" program. Following the end of the recession, the period surrounding the fall of Saigon shows a strong dip in economic coverage. News about the economy was further reduced during the Bicentennial and election periods of 1976. A general rise in coverage followed the election, coinciding with a natural gas shortage in early 1977 and a period of strong economic expansion from mid 1977 through the end of 1978 (the late 1970s were also marked by soaring inflation and interest rates).

The Iran crisis severely curtailed the amount of time available for economic news, especially when tensions rose and

hostages were taken toward the end of 1979, and when their release seemed imminent late in 1980. Between those times, however, the economy was given greater attention during the brief recession of 1980. The election of Ronald Reagan propelled the economy back into prominence. The debate over the spending and taxing philosophy of "Reaganomics" is reflected in the peaks in government economic news during the first quarters of each year during this administration, when budgets were presented. The coverage of labor and business news became proportionately stronger during the recession of 1981-82, falling off along with government coverage as the recovery commenced.

Discussion

This examination of network economic news shows it represents a significant proportion of each evening's stories. There does not appear to be any significant change in total amount of coverage, but, rather, the economic "newshole" is susceptible to competition from other major news events. Events toward the end of the Iranian hostage crisis, for example, appear to have pushed economic news out of the picture altogether. Television news appears to treat economic stories in a similar fashion to other topics. Labor stories (a

large part of which are strike-related) are more likely to be treated visually and anecdotally than other economic categories. These stories no doubt lend themselves more readily to television's demand for graphic events involving conflict and human interest. More general stories about business and the state of the economy are more difficult to visualize or frame in human terms.

The extent to which stories are treated anecdotally has important implications for the audience. Numerous psychological experiments have shown that concrete (anecdotal) information is more persuasive and more often used to make inductions than abstract (general) evidence, suggesting that concrete, emotionally interesting information is more accessible through existing schemas or "scripts."[19] People may be more likely to overestimate the severity of economic conditions if they see the plights of the jobless and homeless emphasized anecdotally on the evening news, as opposed to hearing just the objective indicators.

Whether anecdotal or general, the impressions that the public cultivates from the news media have important implications for consumer psychology. Buying and voting decisions, in turn, hinge on these attitudes. News emphasis on certain issues has been shown to affect the weight those issues are given when subjects are asked to make political judgments.[20] Certainly, television news does "politicize" economic stories (although perhaps not as much as Rubin found[21]), and that politicization is primarily "executivization." The president and his branch are mentioned 81% of the time any government actor is

mentioned. Whether this emphasis heightens viewer expectations for corrective action from the national government is an empirical question left for future research.[22]

This study has sought to describe the variety and extent of economic news on television, beyond the traditional focus on "business news" or stories about "the economy." Future content studies should examine additional attributes of such stories. It would be especially important to guage whether they evaluate conditions negatively or positively. Given the tremendous political stake in how the public perceives conditions, it is important to know how news depicts the economy, and whose views are given most weight (e.g., the White House vs. Congressional critics). Objectively determining how media cover the economy is an important step in both evaluating how media respond to economic conditions through their organizational imperatives and how that manufactured content affects audience opinion.

[19] Richard E. Nisbett, Eugene Borgida, Rick Crandall and Harvey Reed, "Popular Induction: Information Is Not Necessarily Informative," in John S. Carroll and John W. Payne, eds., Cognition and Social Behavior (Hillsdale, N.J.: Lawrence Erlbaum, 1976).

[20] Shanto Iyengar, Donald R. Kinder, Jon A. Krosnick and Mark D. Peters, "The Evening News and Presidential Evaluations," Journal of Personality and Social Psychology, 46:778-87 (1984) and Shanto Iyengar, M.D. Peters and D.R. Kinder, "Experimental Demonstrations of the Not-So-Minimal Consequences of Television News," American Political Science Review, 76:848-58 (1982).

[21] Rubin, op. cit.

[22] The Media Institute content analyzed television news coverage of the energy crises and published a report critical of the reliance on government sources and over-emphasis on "non-market" (i.e., government) solutions; the covert concern was that the coverage would engender comparable audience views. Leonard J. Theberge (ed.) TV Coverage of the Oil Crises: How Well Was the Public Served? Vol. II (Washington, D.C.: The Media Institute, 1982).

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viewers to consider pleasure an important value. Our typical respondent considered salvation, wisdom and forgiving to be important values, but frequent viewers of American TV (which does not emphasize these values) considered them to be less

important than infrequent viewers. There is some evidence, then, that frequent viewing of American television is related to some erosion of traditional Filipino values in our samples.