

1 Introduction

1.1 Economy and the News

There are no issues so omnipresent in current societies as the economy. Almost all events can be translated in economic terms and we know from extant research that the state of the economy has ramifications on all kind of levels, ranging from individual attitudes and personal well-being to electoral outcomes and policymaking processes (see Van Dalen et al., 2018).

The multifaceted and encompassing nature of the economic issue makes it inherently difficult to grasp. On a personal level, people experience the state of the economy through everyday life experiences; for example, by having more money to spend or by seeing relatives lose their job. On a more aggregate level, an abundance of economic indicators (stock market ratings, inflation, unemployment levels, GDP) is continuously produced. The vast majority of citizens, however, will not rely on those indicators. In fact, in many instances, they are notoriously bad at reproducing the state of the national economy in terms of key indicators, as we will show further on in this Element as well (Section 4). Rather, citizens tend to rely on more general sentiments about the economy, as are reflected in, for example, media coverage, and they base their economic perceptions – but also political attitudes and consumer behavior – on this information. Imagine everyday citizens receiving signals about the economy throughout the day, whether it is through skimming the newspaper in the morning over breakfast, scrolling through their phone during their transit commute to work, or watching television in the evening. It almost goes without saying that all these signals will have some impact on how citizens perceive the state of the economy and will for example affect decisions such as whether or not to buy a new widescreen television now, or to postpone this expenditure to somewhere in the future. It might even exert an influence when deciding who to vote for in the upcoming election.

This reliance on news content is not only true for ordinary citizens, but also holds for politicians and policy makers who are affected by the information produced by journalists as well (Vliegenthart & Damstra, 2019). Thus, media content serves as an important mediator between economic circumstances and economic perceptions and behavior. This content, however, is not a mere reflection of the “real” economy. Journalistic selection processes and media logic result in an incomplete picture at best and an adequate reflection of the economic situation – if possible at all – is unlikely to arise from media coverage.

The importance of the topic, the constellation of personal and mediated experiences, as well as the presence of a range of potential consequences of economic media coverage make it a compelling issue to investigate and to

address questions that relate to the nature of news coverage, its antecedents and its consequences. Many have done so and research has produced a plethora of relevant findings. The first aim of this Element is to take stock of those findings that provide interesting insights on media production and effects, and that go well beyond the economic issue. However, much of the existing work is scattered, focusing on single cases and lacking a comparative (either cross-nationally, or between individuals) perspective. Consequently, it fails to account for the conditional and context-dependent nature of the production processes and effects of media coverage. Based on a long-running research project that collected a vast amount of comparative data, we aim to fill this void and complement existing knowledge with the most recent insights into the conditionality of content, causes, and consequences of economic news.

1.2 Antecedents and Consequences at Different Levels

Imagine again this ordinary citizen who encounters a plethora of economic signals. Scholars tend to think about the antecedents and effects of this economic news coverage from either the individual level or from the aggregate level. We consider both approaches to be complementary.

First, on the individual level, we put our imaginary citizen at center stage and trace how the use of media content changes people's economic perceptions, their political preferences, as well as their evaluations of companies. We pay particular attention to economic knowledge as an outcome variable and one that is key in understanding a range of other attitudinal outcomes.

Second, on an aggregate level, we examine how economic news coverage affects economic perceptions as well as politicians' behavior over time and in different countries. This set of studies spans a time interval of up to two decades, offering the opportunity to test media effects on a societal level and assess the degree to which they depend on the broader (country) context.

1.3 Studying Economic News Content

The idea that media content matters requires first of all a clear separation of content features that are worth investigating. The economic news items the everyday citizen encounters can differ a lot in content. Scrutinizing these features and relating them to, for example, changes in economic conditions and perceptions is widely considered to be the most powerful approach to understanding antecedents and consequences of (economic) news coverage (see, e.g., Schuck, Vliegthart & De Vreese, 2016). When studying economic news coverage, studies most commonly rely on the attention, framing and tone (Scheufele & Tewksbury, 2007). These three features are considered as

important elements of communication as each has the potential to influence public opinion: they also are the guiding content features in the empirical work that is presented in this Element.

Attention is the central concept in a rich and ever-growing agenda-setting literature. Attention is a scarce political resource and drawing attention to an issue is a precondition for politicians to actually tackle social problems. Much research has focused on the question of how the media agenda affects both the political and public agenda, by demonstrating that increasing media attention on an issue leads to higher issue salience among the public and in the political realm.

Framing refers to the way issues are presented and which aspects of issues are emphasized (and which not). In the literature, a plethora of different frames, either generic or issue specific, have been identified and investigated. These frames provide insight into how problems are defined and who is blamed for causing them, as well as potential solutions for those problems. In political communication, most framing studies deal with how the media cover certain issues, as well as when and how citizens adopt interpretations that are present in media coverage. We will address those issues here as well.

Finally, we look into the *tone* of communication. The tone is considered an important characteristic of communicative texts and has direct impacts on audience perceptions (Boydston, Highton & Linn, 2018). Recent evidence from seventeen countries and six continents has convincingly shown that negativity evokes psychophysiological reactions (increasing skin conductance and heart rate) and, thus, clearly attracts the attention of news audiences (Fournier, Soroka & Nir, 2020). We know that in a political context negative information in particular is persuasive and citizens adjust their attitudes and behavior more than to positive information.

1.4 Theoretical Considerations

Theoretically, we build on the idea of the positive-negative asymmetry effect (Baumeister et al., 2001): People tend to be more sensitive to negative information than to – equally strong and equally likely – positive information. This *negativity bias* underlies the selection processes that precede actual coverage as well as the effects this coverage has on individuals' attitudes. Extant research into news production and selection has identified negativity as one of the key factors that determine what issues and events journalists choose to cover. Translated to the economic context, this implies that the news media do not merely reflect economic conditions in their coverage, but that negative developments receive

more coverage than positive developments (Soroka, 2006). For example, drops in the price of stocks will receive more coverage than rises with the same number. Additionally, in ambiguous contexts, coverage is likely to highlight negative aspects (Damstra & Boukes, 2021). This journalistic negativity bias comes with real consequences. Research has consistently demonstrated that mass media's coverage of social issues affects the attitudes and political preferences of the public at large, and ordinary citizens, just as journalists, pay more attention to and are more strongly influenced by negative cues than by positive ones (Soroka, 2014). This is a strong psychological mechanism that has a firm empirical foundation. Overall, this double negativity bias translates into assessments that, if based on media coverage, are overly negative.

A second guiding theoretical notion is that of *media dependency*. Media dependency theory assumes that the degree to which individuals are affected by media content depends on their dependence on the news for informational goals (Loges & Ball-Rokeach, 1993). Much of the research so far has focused on (perceived) media dependency as an individual-level characteristic: if people report relying heavily on the media for being informed, one can anticipate larger media effects. This finding is confirmed in a range of different contexts (e.g., health communication, Morton & Duck, 2001), including economic news (Boomgaarden et al., 2011). Here, we argue that dependency is not only an individual-level motivation, but also depends on the larger context in which the individual encounters the news, as well as outlet and issue characteristics. Not all channels are equally important for informational needs, nor does each issue require a similar level of reliance on media. Finally, the outcome variable matters as well. Media information is not equally important for every type of assessment that people make as people rely on information from a wide array of sources, including interpersonal contacts, supplemented with experiences from their everyday lives. In this mix of information and experiences, the importance assigned to content provided by the media varies. For example, media content is most crucial to people in situations in which alternative sources of information are not available. In such contexts, media effects are likely to be strong. Applied to people's economic evaluations, we observe diverging media effects: Because retrospective assessments are colored by personal experience and information from the past, these are less likely to be affected by current media coverage; for prospective assessments, however, one cannot (yet) rely on this past information and will depend more heavily on analyses and forecasts as presented in media coverage. A similar logic can be applied when comparing egotropic (personal) versus sociotropic (societal) assessments. For the first, the everyday citizen can rely on personal experiences and everyday life for information, while the second relies to a larger extent on external sources –

such as the mass media. This yields the expectation that media effects will be stronger for sociotropic compared to egotropic economic evaluations (Damstra, 2019).

In a similar vein, media effects may be contingent on the broader economic context. In the period between 2007 and 2015, most Western countries witnessed an unprecedented economic crisis. This crisis was reflected in high levels of unemployment, a collapsing housing market, profoundly low consumer confidence numbers and the faltering of entire economies. Under these circumstances, people do not need the media to tell them things are bad – they experience the situation each and every day, so the influence of media will be minimal. In those contexts, media dependency is typically low, and the availability of information through interpersonal communication or direct real-life experiences is likely to limit the strength of media effects.

These considerations inspire us to systematically investigate media effects across a range of contexts, channels, issues and outcomes.

1.5 Data

Many of the empirical analyses we present in this Element are based on a research project that focused on the causes, content and consequences of economic coverage funded by the Dutch science foundation NWO (VIDI grant number project no. 016.145.369). It consisted of two subprojects with related data collection efforts.

We begin with an in-depth case study of the Netherlands. The data consists of four elements. First, a longitudinal, automated content analyses of the main Dutch national newspapers for the period 2007–13 to understand the dynamics and changes in framing of the economy with a particular attention for the 2007–8 economic crisis. Second, a three-wave panel survey, combined with manual content analysis of offline and online news coverage in the first half of 2015, was conducted. We collected all coverage published by twenty-three different media outlets and analyzed a wide range of content features. Media content features and an extensive set of survey questions about news media use were combined in order to create individualized media scores, reflecting the specific content that an individual had consumed. Additionally, we conducted an experiment among a large group of Dutch citizens to further understand and replicate the effects of different content features (tone, issue and level of uncertainty) on economic assessments. Finally, twelve Dutch economic journalists were interviewed to unravel the roots of the omnipresent negativity bias, as well as the structural constraints shaping news production processes. Overall, these various studies provide an in-depth and comprehensive account of

economic news production and effects in a single-country context. While this single-country context might limit the generalizability, it is important to emphasize both that the Netherlands has a media and political system that is comparable to many other Western European countries and that the degree to which the country was affected by the economic crisis was not unique (see more on this Section 5). Throughout this Element, we compare our findings to those from other (e.g., Anglo-Saxon) contexts and find remarkable similarities.

The second subproject brings a cross-national perspective to the fore. It addresses the impact of negative economic coverage on economic perceptions, as well as on parliamentary behavior, and investigates how the economic context moderates the impact of economic news coverage in a longitudinal, aggregate level perspective. Here, we rely on national newspapers, international press agencies and parliamentary archives. Additionally, we employ existing consumer confidence data from *Eurostat*. This is a comparable, standardized measurement on a monthly basis, making cross-national time-series analysis a viable option.

In the various sections, we report more in detail about the operationalization of our key variables and the conducted analyses.

1.6 Outline of the Element

The individual sections serve as building blocks of a comprehensive story that tells how economic news coverage comes about, how its content varies over time and across contexts and what effects it has on both citizens and politicians. Section 2 focuses on the content of economic news coverage and provides a descriptive account of how economic issues are framed in the Netherlands and beyond. It demonstrates the presence of a negativity bias in coverage, as well as a limited variation in framing, even in times of high economic uncertainty and volatility. Section 3 devotes attention to potential explanations of variation in this coverage and focuses on the antecedents that affect content features, most prominently, tone and framing, in economic coverage. It argues that journalists are mainly driven by commercial considerations and often lack expertise to bring the complexity of many economic issues to the fore. In Section 4, we focus on the effects of economic news, providing an overview of previous work and presenting empirical analyses in which news effects on economic knowledge are assessed. We find tentative evidence that more dramatic news coverage could distract citizens from correct interpretations of economic developments. Section 5 addresses the consequences of media coverage for politics, as we explore media effects on the communicative behavior of

members of national parliaments. Increased negative economic coverage also yields more parliamentary questions of that nature, and this is felt more strongly in countries that are less severely affected by the crisis. In those countries that are affected more strongly, this coverage has a larger impact when unemployment levels also rise. Section 6 addresses how the public reputations of companies are affected by economic news coverage: we see that negative news can impact reputation, but also that effect is smaller when companies have a good reputation in the first place. Finally, Section 7 brings new forms of communication into the equation, and deals in particular with social media and satire. It looks into the question of how those alternative sources of economic information can foster (or harm) economic knowledge and demonstrates that both satire and, in particular, Twitter can contribute to knowledge acquisition.

2 Content of Economic News Coverage

2.1 Introduction

It goes without saying that the content of economic news is related to the actual state of the economy: if the economy is doing well, journalists will report about it; if the economy is going down, they also will tell us so. In other words: content depends on context, as one would expect. However, extant research also indicates that economic news coverage is subject to some structural biases and that, as a result, the content cannot be considered a truthful reflection of economic reality. In this section, we focus on the content of news, and how this is shaped – or skewed – by two recurring features. First, we look into the *negativity bias* in economic news coverage. Negativity is an important news factor (Eilders, 2002) and news coverage on any kind of issue tends to focus more heavily on negative developments and aspects of issues and events, with the economy not being an exception. The second aspect is *limited frame variation*: much of the news focuses on (societal) problems and questions related to both causes of those problems and potential solutions. Economic problems and crises can be discussed in multiple ways, but the variation turns out to be relatively limited, with a minimum of coverage that challenges the fundamental principles of the current neoliberal foundations of Western economies. We start this section with discussing the central content characteristics of economic news coverage: attention, tone and framing.

2.2 Analyzing Media Coverage

Scholars studying media coverage rely on a variety of approaches, with (quantitative) content analyses being the most dominant one. In these analyses, a range of content features are included, such as *issue attention*, *tone* and *framing*. These

features can be considered the building blocks of current media effects paradigms, such as agenda setting, priming and framing (Scheufele & Tewksbury, 2007), which we will discuss more elaborately in Sections 4, 5 and 6.

Issue attention is embedded in the agenda-setting tradition, which assumes that – irrespective of how a topic is covered – the mere attention that media devote to that issue is worthy to consider (McCombs & Shaw, 1972, see also Baumgartner & Jones, 2010). The economy in general, and more specific economic subthemes such as unemployment, inflation and the financial performances of corporations, have a high position on the news agenda of any country in the world. However, temporal variation is often large, with economic dips coinciding with increases in overall attention for the issue (Damstra & Boukes, 2021).

A second element that is frequently considered is the *tone*, or valence, of the news coverage. In many studies, the tone of news is measured by means of the frequency of references to negative (or positive) economic developments, such as the number of times the word “recession” is mentioned in the headlines and lead of newspaper articles (see, e.g., Wu et al., 2002). While negative news might be captured in an adequate way using a relatively simple search string (see also Jonkman, Boukes & Vliegenthart, 2020), positive news is less easy to measure, as are more nuanced evaluations of actors or sub-issues (Boukes et al., 2020). Often, attention and tone are combined in a cumulative score that, for example, indicates the sum of positive articles minus the sum of negative articles over a certain time span, or only the sum of negative ones, such as the previously mentioned recession index.

Framing digs deeper into the substantive content of coverage by addressing the question of how an issue is discussed. It focuses on the causes of a problem and who can be held accountable, as well as the potential solutions and who can be held responsible for delivering these (Entman, 1993; Snow, Vliegenthart & Corrigan-Brown, 2007). In the context of economic downturns and crises, this framing is highly relevant to consider, as it might have a serious impact on the way citizens perceive the economic problems and use those perceptions to, for example, adjust their purchasing behavior, or their evaluations of the government (Damstra, Boukes & Vliegenthart, 2021; see also Section 4).

2.3 Negativity Bias: An Amplified Response to Negative Information

As discussed in Section 1, one of the most persistent findings in the economic news literature is that of a negativity bias – the tendency of individuals to be

most attracted to and most strongly affected by negative information (Damstra & Boukes, 2021; Soroka, 2014). This effect turns out to be strongly persistent in a wide variety of contexts (e.g., Boydston, Ledgerwood & Sparks, 2019). In most instances, this psychological mechanism is used to account for the differential impact of negative and positive coverage on attitudes and behavior of news consumers. But also on the news selection and production side, a negativity bias is likely to be prevalent (Soroka et al., 2018). Editors and journalists are humans and will by nature respond more swiftly to negative signals than to positive ones. This asymmetric responsiveness is likely to be institutionalized by the knowledge that their readers or viewers will act similarly, leading to larger audiences when the news is bad. It is not for nothing that negativity is identified as one of the most important news values, or factors, in journalism research (Galtung & Ruge, 1965). An additional explanation for the prevalence of negative news might relate to the “watchdog” role often assigned to journalists. Holding those in power accountable implies a focus on the things that do not go well. We will discuss the mechanisms and journalists’ perceptions of negativity bias more elaborately in Section 3. The wide availability of “real world cues” – that is, economic indicators that are regularly and systematically measured in a variety of countries – offers ample opportunity to empirically test this negativity bias. A relatively straightforward empirical assessment is to see whether coverage is more strongly affected by negative economic developments (i.e., rising unemployment figures) than by positive economic developments. We present such an analysis in the empirical section that follows.

2.4 Limited Frame Variation

In our highly digitalized 24/7 media environments, unexpected and high-impact events are translated into news content in the blink of an eye. An example of such an event is the collapse of US bank Lehman Brothers in 2008, which attracted vast amounts of coverage worldwide and is considered a key event in the evolution of the worldwide economic crisis.

A key question in the first weeks following the collapse is what caused the event to occur – a focus on diagnostic framing (Snow et al., 2007; Van der Meer et al., 2014). It is common that, initially, a wide variety of interpretations, which differ substantially in scope, are present. In the case of Lehman Brothers, for example, diagnoses could refer to individual decisions of the board, the quickly worsening economic situation of many US citizens that made it increasingly difficult to pay their mortgages and debts to the bank, or fundamental shortcomings of the global financial system. Also, potential solutions become part of the coverage. Obviously, solutions are related to the problem definition in

a logical manner, though, more often than one would expect, there might be a disconnect between the two (Kroon et al., 2016). Possible solutions (prognoses) related to the Lehman Brothers case ranged from replacing the company's board to overthrowing the capitalist market system.

The variety of frames present in media coverage of economy-related events are an interesting indicator of the pluralism of news content. It provides insight into the degree of debate between journalists and key actors in society, which will be reflected in different, contesting frames. Research on a variety of issues and events has demonstrated that, in many instances, frame variation is rather and that frames in mainstream media are often in line with those that hold (institutional) power (Snow et al., 2007). The idea of "indexing" might provide an explanation here: journalists tend to turn to sources that hold (institutional) power (Bennett, 1990). Views and opinions on political and public-policy issues that are absent within elite debates are often absent in media coverage as well. Those actors that have most formal power will find their framing of the crisis in coverage to be most salient. Additionally, the complexity of economic and financial news might hinder journalists in providing a more elaborate and critical account of events and developments. We will discuss this issue more elaborately in Section 3.

It is of particular interest to investigate the level of frame variation in the context of the 2008 economic crisis and subsequent events that had a fundamental impact on the lives of many citizens around the world and threatened fundamental economic arrangements, such as the monetary union in Europe. Additionally, noninstitutional actors were clearly visible in the public realm, such as the Occupy movement that organized large-scale public protest events across the world. In such a context, one might expect to find high levels of contestation and frame competition, with also more radical interpretations present in the public realm. In that sense, the economic crisis offers a "most likely case" for strong frame variation and the presence of more radical and critical frames challenging the neoliberal status quo.

2.5 Approach

2.5.1 Testing Negativity Bias

We test the presence of negativity bias using a longitudinal comparative dataset. For this dataset, we have collected negative economic coverage by international news agency coverage for all twenty-eight European Union member states for the period 2005–17. More specifically, we use a simple search string that indicates the discussion of negative economic developments and combine this search string with each of the EU's country names. We use LexisNexis to collect