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THE 1979-1982 RECESSION: A BOOM FOR BUSINESS NEWS

By

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ABSTRACT

1979-1982 RECESSION: A BOOM FOR BUSINESS NEWS

By

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This study tests whether business news coverage in newspapers increases as the economy worsens. A content analysis was conducted of two constructed weeks of five Michigan newspapers in the last quarter of 1979 and in 1982, when the recession peaked. Appropriate business editors were surveyed for their reaction to the hypothesis.

This study found that business news increased in the newspapers. The greatest increase was found in the Flint Journal. Editors generally agreed that the recession played a role in the increase.

This study also asked whether there was more business coverage in a city with severe recession than in one with a healthier economy. No evidence for such a trend was found. Coverage was found to correspond with the increase in unemployment in two cities, Flint and Grand Rapids.

The study asked what kind of business news increases in a recession. Local-state recession-sensitive news was found to increase at a rate corresponding to the level of recession in comparison with other newspapers studied.

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TABLE OF CONTENTS

INTRODUCTION 1

REVIEW OF LITERATURE 5

RESEARCH HYPOTHESES 18

METHODOLOGY 22

FINDINGS 36

DISCUSSION 62

APPENDICES 67

BIBLIOGRAPHY 71

LIST OF TABLES

1. Amount of space devoted to business in 1978 and 1982, expressed in average percent of total news hole 37

2. Increase in news hole devoted to business coverage between 1978 and 1982 37

3. Increase in unemployment 1979-1982 compared with increase in business coverage 39

4. Increase in Page 1 business stories between 1978 and 1982 and average number of front page business stories 40

5. Percent of increase in business story graphics and average percent of news hole devoted to graphics 42

6. Percent of news hole devoted to all recession news 44

7. Percent of news hole devoted to 1982 local recession news 46

8. Percent of news hole devoted to local and state recession business news in 1982 . . . 47

9. Percent of news hole devoted to national recession news in 1982. 48

10. Percent of news hole devoted to state recession news in 1982 48

11. Percent of news hole devoted to "good" business news in 1982 50

12. Percent of business news devoted to local and state recession news in 1982 52

13. Percent of business news devoted to local recession news in 1982 52

14. Percent of business news devoted to state recession news in 1982 53

INTRODUCTION

Journalism studies have focused on how to make the business sections of newspapers more popular with readers, but rarely have they examined the relationship between business news and economic realities.[1] This study attempts to fill that gap. It examines how a newspaper's coverage of business and economic news is influenced by a major fluctuation in the economy.

A study by two business professors in 1980 pointed to a trend among newspapers to increase business coverage as the economy declines.[2] Other factors, such as changes in the hometown's economic base, international trade, the national political scene, or changes within the newspaper also may boost business coverage. This study, however, is limited to testing the hypothesis put forth by Georgia State University business professors Howard D. Feldman and Craig E. Aronoff.

They conducted a trend analysis of five major newspapers between 1968 and 1978 and noted a substantial surge in business coverage during the 1971-75 recession. Coverage increased throughout the decade but more slowly before and after that period. They predicted that the next recession would prompt another surge in coverage. "More business coverage can be expected in bad economic times than in good,"

they concluded.[3]

This study tests the hypothesis by comparing the amount of business and economic news published in five newspapers before that "next recession" which arrived in 1979, and at the height of the recession in 1982. Additionally, appropriate business editors were surveyed about coverage during the recession. Among other questions, they were asked their reaction to the Feldman-Aronoff hypothesis: Do newspapers increase business coverage during poor economic times more than during stable or good economic times?

This study also extends the Feldman-Aronoff study by examining what kind of business news may increase during a recession. The second hypothesis of this study proposes that it is local recession-sensitive news that increases as a city's recession environment worsens.

This study is important because business journalism, long a weak link in newspapers, is significant to the average reader. The economy plays a vital role in the lives of Americans. It determines the abundance of jobs, the rate of pay and the level of fringe benefits, the price of housing and the cost of groceries.

An editor of the Wall Street Journal, explaining the popularity of his newspaper, was quoted in 1981 as saying, "Economics is increasingly important in people's minds.

People have an interest in savings and public policy and how to educate their kids and finance their homes."[4]

Media leaders believe that readers no longer want merely stock and bond prices from their business news. "People want to know why the cost of sugar has gone sky-high," Katherine Graham, chairman of the Washington Post Co., said in a 1974 speech cited by Feldman and Aronoff. [5]

If the economy and business have become increasingly important in the eyes of newspaper publishers, how has coverage corresponded to the realities of the economy? Has the economy had an impact on the way that newspapers cover such matters?

This study contributes information about how business coverage in newspapers changes in relation to a major shift in the economy. It also offers explanations for the changes.

INTRODUCTION NOTES

1. Steve M. Barkin, "Changes in Business Sections 1931-1979," Journalism Quarterly 59 (Autumn 1982): 436.

2. Howard D. Feldman and Craig E. Aronoff, "Trends in Newspaper Coverage of Business and Economics, 1968-1978," Newspaper Research Journal 1 (July 1980): 54-65.

3. Feldman, p. 54.

4. Dom Bonafede, "Reagan's Supply-Side Policies Push Economics Writers into the Spotlight," National Journal 26 September 1981, p. 1725.

5. Feldman and Aronoff, p. 54.

REVIEW OF LITERATURE

Newspapers refuse to stand still. Editors manipulate style and content in response to many pressures, including changes in American life. Researchers have found that some of the changes in American life influence newspapers more than others.

The women's liberation movement in the 1970s, for instance, prompted many newspapers to transform the traditional women's section into a lifestyle section. Miller found in a 1975 content analysis of four major newspapers that the perception of change was greater than the reality. Cosmetic touches, such as a new section name and trendy graphics, had not changed the editors' inclination to lump all women's news in this section, she reported.[1]

As the Third World's influence has grown in international affairs, newspapers have been chided for emphasizing European news at the cost of news about underdeveloped nations. But Haque found in a 1983 content analysis of three leading newspapers that 65 percent of their international news hole was devoted to the Third World, nullifying the critics' sting.[2]

Change, however, was more substantial on the sports desk. An increasing interest among Americans in sports and leisure activities has led to an overhaul of the sports

section, according to Anderson. He surveyed more than one hundred sports editors across the country in 1982 and found that they agreed that sports writing had improved, sports staffs were more professional, "rah-rah" writing had diminished and that more space was being devoted to local and state sports than had been three years earlier.[3]

The business section has not been immune to the pressures of a changing society either. Once the Cinderella of journalism, business and economic reporting came into its own in the 1970s. Observers credited the energy crisis and the recession of the early 1970s with drawing attention to the area. NBC newsman John Chancellor dubbed business and economic news the decade's most important story in the 1970s.[4]

The deepening recession and Reagan's supply-side economics were credited with sustaining interest into the 1980s. "Across the country, there is a rising awareness of the relationships between Pennsylvania Avenue, Wall Street and Main Street," wrote Dom Bonafede in the National Journal in 1981. "It is the stuff of headlines. Rare is the front page that does not offer articles describing, explaining, analyzing and correlating the twists and turns of employment, inflation and production.[5]

In recent years, researchers had documented that surge in interest. Economic editors, in response to surveys,

have reported a substantial increase in reader interest. A 1975 survey of business editors showed that more than two-thirds estimated that popular interest in financial news had "increased substantially" and about one-fifth judged it had "more than doubled."[6]

For decades before, however, business news bore the brunt of sharp criticism. Critics labeled business coverage as "out of touch," misleading, shallow and "a great wasteland." Business pages were slapped for offering little more than a listing of stock and bond prices. Business stories were said to exploit financial anxiety and newspapers were accused of assigning untrained reporters to handle complex economic issues.[7] The criticism was raised as long ago as 1938 when a study by Carsell described business pages as being "obsessed" with stock and bond markets. Carsell urged newspapers to write about business affairs with a broader audience in mind.[8]

Some improvement came in the aftermath of the Depression and the New Deal. Emery and Emery in their book, The Press and America, attribute the increase in interpretive writing, including economic coverage, to the new political and economic environment of the New Deal reforms. "Old beliefs that difficult subjects like science and economics could not be made interesting to readers were discarded out of sheer necessity," they wrote.[9] Labor news also took on

new importance. "Fuller interpretation of the problems of labor management relations now became the good reporter's goal," they asserted.[10]

While economic coverage may have broadened after the Depression, interest in business news did not. Swanson found in a 1955 study that business news ranked at the bottom of the totem pole for American newspaper readers. In his survey of 130 dailies, readers ranked business news 30th and dead last in popularity.[11]

The problem with business news, said Gallup in a 1955 article, was that newspapers still insisted on concentrating on stocks and bonds, news that interested only one out of every six readers. "What about the other five-sixths of the population whose problems of making ends meet are even greater?" Gallup asked.[12] He put his finger on the reason that Americans later would grow hungry for more economic information.

> It is just as important to a day laborer to learn that the demand for his work is increasing and that the rate of pay is up 10 cents an hour, as it is for a General Motors stockholder to learn that his stock has gone up a half-point. Nearly everyone is interested in knowing how to get a better job, how to keep it and how to get on in the world.[13]

It took two decades after the articles by Gallup and Swanson, but in 1975 Hubbard found business editors were

noting a surge in reader interest. Comparing surveys of business editors in 1965 and 1975, he found that 67 percent of the editors estimated that popular interest in financial news had "increased substantially" during those ten years and about one-fifth believed that it had more than doubled. Editors attributed the increase to an end of "economic isolationism" in public thinking and he quoted a Midwest editior as saying the economic isolationism ended "when the balance of payments crisis brought home to people (that) their jobs depend on relative wages in Japan or the whim of a few Arab oil leaders."[14]

The increase in interest perceived by editors corresponded to an increase in their coverage. Hubbard's survey found that 22.4 percent of the editors reported a substantial increase in their coverage of the stock market and more than half said they had substantially increased coverage of local business and business-related subjects. A third of the editors, most from larger papers, also reported a rise in investigative techniques, indicating a more aggressive approach to covering business.[15]

However, editors continued to complain about being shunted to the back of the newspaper, in the "slop page" or the "junk heap." They said their pages' identity was eroded by placing them so far back in the paper. "I suspect many of our readers never come to (business)," one editor

lamented.[16]

Hubbard said he could not pinpoint the exact cause of the surge in business news, but he suggested a link with the economy. "Though the precise causes of the surge and diversification in demand for business news are ill-defined, they are undoubtedly connected with the nation's business health," he wrote.[17]

The publishing market may be the best evidence that an appetite for business news was sharpening in the late 1970s. One research firm predicted in 1978 that city and regional business publications may be the next major growth area in publications and said that the competition from specialized publications had already forced daily newspapers into expanding business coverage.[18]

Business Week in 1981 reported that the Association of Area Business Publications, which had only 15 members when launched in 1978, had increased its membership to 53 publications within three years. "Everybody and his brother is trying to get into business (news)," said the association's president C. Robertson Trowbridge. As a result, predicted Business Week, newspapers would increase their business coverage to remain competitive.[19]

Several years after Hubbard reported the surge in reader interest, Hynds reported that business writing had improved. Surveying 186 business editors for a 1980

article, he concluded that dailies, particularly the larger newspapers, were more aware of the need for business coverage, were devoting more space to business news, and were assigning better trained reporters to business stories.[20]

Forty percent of the newspapers carried weekly business sections, 29 percent carried a daily business page and 10 percent, a daily section. Only half had carried that amount of business news for more than five years and only 41 percent for more than 10 years. Six percent of the newspapers devoted at least 15 percent of their news hole to business news; 22 percent devoted 10 percent; 62.4 percent devoted at least 5 percent, and 7 percent devoted one percent or less to business news.[21]

Hynds also found that the size of the newspaper, but not its geographic location, made a difference in the amount of business news published. More than three-quarters of the larger newspapers (50,000 and up) had either a daily page or a daily section. Space allotted to business news was growing, but it was still less than the space devoted to sports, women's, family or crime news or to the editorial page. Business news took precedence over religious and arts news.[22]

Stempel, a decade before, also looked at how newspapers divided up their news hole. Conducting a content analysis

of the four largest and the four smallest newspapers in Michigan for a 1962 article, Stempel measured space devoted to 11 categories of news. His purpose was to determine whether content patterns of small dailies are similar to those of big city dailies.

The categories included "economic activity," which can be assumed to be similar to business and economic news. Space (in terms of percent of total news hole devoted to each category of news) given to economic news ranged from 8.4 percent at the Detroit Free Press to 20.7 percent at the Dowagiac News. Economic news ranked third in terms of space at the Detroit News (15 percent), Flint Journal (11.8 percent), and Grand Rapids Press (12.1 percent). War and defense news ranked first at all three papers. (Popular amusements ranked second at the Detroit News. Human interest stories ranked second at the Flint Journal and politics and government ranked second at the Grand Rapids Press.)[23]

The best vantage point for surveying the changes in business news is offered by Barkin in his content analysis of business sections in three major newspapers between 1931 and 1979. He counted stories longer than five column inches for news of individual firms, the national economy, international economy, consumer, and professional business community.

He found that the obsession with stocks and bonds, as cited by Carsell in 1938 and Gallup in 1955, had diminished over those 48 years. International economic news had steadily grown as a percentage of all business news. More space also was devoted to businessmen and women in the newspaper's communities but coverage of individual firms had not increased significantly. Consumer news, despite the consumer movement of the 1960s, also showed little increase. "Today's business sections," Barkin concluded, "appear less dominated by Wall Street and Washington." [24]

Barkin also noted that researchers have not paid much attention to actual business news content and have ignored the relationship between business coverage and the economy. "Historically, little research has involved the content of business news or examined how well the coverage reflects economic realities. Interest instead has focused on what needed to be done to make business sections more popular with readers."[25]

A similar concern was noted by Rippey in 1981 in a study of how business executives perceive local business coverage. "There has been no systematic study among all U.S. daily newspapers of the way in which business news is covered," he wrote.[26]

Feldman and Aronoff did study the relationship between coverage and the economy. The two conducted a trend

analysis of news published in five major dailies between 1968 and 1978.

Analyzing 20 Sunday issues of each newspaper over the ten years, they measured coverage by the number of column inches devoted to business and economic topics in all sections except the business-financial section and by the total number of articles on business-economic topics in all sections of the newspaper. The newspapers were located across the country. The two measures were chosen as "determinants of absolute growth of newspaper coverage of business and economic topics over time."

Their objective was not to determine the causes of variation, but to chart trends. They found that each newspaper showed an upward trend in space devoted to business news and in the depth of coverage, as measured by the average length of articles. They also found an upward trend in placing business and economic articles outside the business and financial section. Although they had not been looking for such a connection, they found a strong link between the amount of coverage and the condition of the economy.

> In almost every instance there was a rapid increase in the coverage of business and economic topics during the middle years of 1971-75. This period was marked by an increasing interest in inflation, recession, the oil crisis, and by the growth of investigative reporting coming out of the post-Watergate era.

> The relatively serene economic years of 1968-1970 and the lower level of economic coverage during this period suggests the worsening of general economic conditions affects the extent of coverage of business and economic topics.[27]

In their conclusion, they attribute the increase in business coverage between 1971-1975 to "an apparent response to such massive occurrences as the deepest recession in 50 years and the severe energy shortage."[28] They also predicted that another recession would boost the amount of business news again.

> Business coverage appears to be counter cyclical. Given the conflict nature of business reporting, more business coverage can be expected in bad economic times than in good times . . . The predicted occurrence of another recession in the near future and new complications in the energy picture should cause another upsurge in the coverage of business and economic issues.[29]

Having found the pattern once, Feldman and Aronoff are asking whether that pattern will appear again. Have they found a genuine link between the state of the economy and the level of business coverage or merely a one-time phenomenon? The present study explores this question.

REVIEW OF LITERATURE NOTES

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2. S.M. Marzharul Haque, "Is U.S. Coverage of News in Third World Imbalanced?" Journalism Quarterly 60 (Autumn 1983): 521-524.

3. Douglas M. Anderson, "Sports Coverage in Daily Newspapers," Journalism Quarterly 60 (Autumn 1983): 497-500.

4. Howard D. Feldman and Craig E. Aronoff, "Trends in Newspaper Coverage of Business and Economics, 1968-1978," Newspaper Research Journal 1 (July 1980): 55.

5. Dom Bonafede, "Reagan's Supply-Side Policies Push Economics Writers into the Spotlight," National Journal 26 September 1981, p. 1723.

6. Feldman and Aronoff, p. 55.

7. The observations were made in order by George Gallup, Herbert Stein and Lyle Harris.
Gallup, "Changes in the Newspaper in the Next 20 Years," Journalism Quarterly 32 (Spring 1955): 17. Stein, "Media Distortions: A Former Official's Views," Columbia Journalism Review (March-April 1975): 37, 39. "Economic Coverage: D as in Dismal," Time, 20 January 1975, p. 62.

8. Howard Carsell, "Business News and Reader Interest," Journalism Quarterly 15 (Summer 1938): 191-195.

9. Edwin Emery and Michael Emery, The Press and America: Interpretative History of the Mass Media 4th ed. (Englewood Cliffs, N.J.: Prentice-Hall Inc. 1978), pp. 368-369.

10. Ibid.

11. Charles E. Swanson, "What They Read in 130 Daily Newspapers," Journalism Quarterly 32 "(Winter 1955): 417.

12. Gallup, p. 18.

13. Ibid.

14. Hubbard, p. 489.

15. Ibid.

16. Ibid., p. 492.

17. Ibid., p. 488.

18. Ernest C. Hynds, "Business Coverage Is Getting Better," Journalism Quarterly 57 (Summer 1980): 298.

19. "New Journals Tell the Local Business Story," Business Week, 5 October 1981, p. 126.

20. Hynds, p. 368.

21. Ibid., p. 299.

22. Ibid.

23. Guido H. Stempel, "Content Patterns of Small and Metropolitan Dailies," Journalism Quarterly 39 (Winter 1962): 88-90.

24. Barkin, p. 439.

25. Ibid.

26. John N. Rippey, "Perceptions by Selected Executives of Local Business Coverage," Journalism Quarterly 58 (Autumn 1981): 387.

27. Feldman and Aronoff, p. 65.

28. Ibid., p. 58.

29. Ibid., p. 63.

30. Ibid., p. 64.

RESEARCH HYPOTHESES

This study is a logical follow to the work of Feldman and Aronoff. It tests whether their hypothesis will hold in the recession that followed their work. In their study, Feldman and Aronoff found evidence of an increase in one recession. If further evidence can be found in a second recession, then the theory gains greater validity and journalism has another clue as to what factors influence the way in which newspapers as organizations behave.

Journalism education will be aided because the economy's influence on news coverage will be more apparent and therefore the rationale for requiring more business and economic training for reporters will be buttressed.

The study's first challenge, then, is to test the hypothesis put forth by Feldman and Aronoff.

> Hypothesis 1: Business coverage will increase as economic conditions worsen.
>
> Research Question 1: Was there, as predicted, an upsurge in business news in newspapers during the 1979-82 recession?

Even after testing that hypothesis, a great deal more is

left unknown about the influence of the economy upon news coverage.

Recessions are not uniform in their punishments. Some cities suffer more than others. That poses the question: What influence does the *degree of recession* have upon news coverage? Thus, this study extends the Feldman and Aronoff study and looks at how the amount of business news changes in relation to the city in which it was published. This question is particularly important in this country because much of American newspaper journalism is locally and community based.

Hypthesis 2: The deeper the recession in a city, the more business news will be published in the city's newspaper.

Research Question 2: Did a newspaper in a city with severe recession publish more business news than did a city with less severe recession?

If, indeed, cities with more recession carry more business news, what kind of business news increases with recession? Knowing the answer to this question helps researchers to pinpoint more carefully how the economy influences business coverage. It also, perhaps, could help journalists become more conscious of their responses to the economy and therefore more effective in their news decisions.

With this question in mind, a second aspect of this investigation was designed. While earlier studies used topic categories in coding business stories -- news of consumers, individual industries, business persons, and so on -- this research explores the content of stories according to their reflection of economic conditions. The study proposes the hypothesis that it is news specifically reflecting the recession, rather than business news generally, that increases with a city's recession.

Hypothesis 3: Business news specifically reflecting the recession will correspond to the rate of recession in a city.

Research Question 3: Do newspapers in cities with more recession have more recession-sensitive business stories than do newspapers in cities with less recession?

Recession-sensitive news also may be broken down into several categories. While coding recession-sensitive news, the study also asks whether the geographic base of a story makes a difference. This too would help journalists and researchers to understand how newspapers react to the economy. If recession-sensitive news increases with a city's recesssion, what kind of stories are increasing: local, state, national, or international? The study proposes the hypothesis that, in a country where journalism

is locally and community based, it is local recession news that increases as a city's economy worsens.

> Hypothesis 4: Local recession-sensitive business stories will correspond to the rate of a city's recession.
>
> Research Question 4: Do newspapers in cities with greater recession carry more local recession-sensitive business stories than newspapers in cities with less recession?

These last three hypotheses are extensions of the Feldman and Aronoff concept. Specifically, the increase in coverage should correspond to the rankings of the recession's severity in each city. Further, news should logically deal with the economic crisis that has brought about the increased news coverage.

These findings should offer clues about the ingredients in the relationship between the economy and business coverage. In conclusion, this study is a test of and expansion on the hypothesis posed by Feldman and Aronoff that a connection exists between business coverage and the condition of the economy.

METHODOLOGY

This study differs from the earlier studies of business news that were based either on surveys of editors and readers or on content analysis. This study combines both content analysis of business news and a survey of business editors. The advantage of this method is that the results will include both actual measurement and the rationale behind that coverage. This study also examines categories of business news as they reflect the economy, a form of content analysis not used in the studies cited.

Hubbard and Hynds based their conclusions on surveys of a large number of editors which, in the final analysis, is still subjective information -- what editors say they did. The findings are based on the beliefs and perceptions of the editors without corresponding information on what kind of news those editors actually published.

Barkin, as well as Feldman and Aronoff, used forms of content analysis to test the increase in business coverage and then offered some ideas on the cause of the increase, without consulting business editors. Admittedly, Barkin would have had a difficult time coming up with business editors as far back as 1931. Likewise, Feldman and Aronoff were not interested in the reasons for the changes, but only in documenting the changes.

Further, Feldman and Aronoff were very selective in the newspaper issues they chose to analyze. They examined only Sunday issues and excluded the financial or business section when measuring space devoted to business and economic news.

The content analysis for this study conforms most with the defintion given by Berelson (1952): Content analysis is a research technique for the objective, systematic and quantitative description of the manifest content of communication.[1] The study measured news based upon its manifest appearance, not the intention of the editors as surmized by the researcher. It used a systematic method of defining and locating the appropriate material and conducted an intra-coder reliability test to ensure objectivity in coding.

Content analysis, however, is a limited tool. It cannot be used to infer the motives of the communicator, the newspaper business editor in this case. To compensate for that deficiency, a survey also was used in this study to ask why editors made the choices they did and to what effect.

Thus, the approach to testing this thesis is two-fold. Specifically, a content analysis of five newspapers, the Detroit News (1984 daily circulation 650,683), Flint Journal (198,493), Grand Rapids Press (132,662), Lansing

State Journal (69,087) and the Ann Arbor News (47,414) was conducted for the last quarter of 1978 and 1982. Additionally, a survey was conducted of the business editors of those publications to gain their perspectives on business reporting trends.

Michigan is a logical choice for examining the effects of a recession upon news coverage. While many parts of the country suffered from the bleak economy in those years, none suffered more than Michigan. One out of every eight workers was idled in the state in 1981. Month after month during the recession, Michigan claimed the dubious honor of leading the nation by reporting the highest monthly unemployment rates in the country. The worst annual unemployment rate came at the very depth of the recession in 1982 when 15.5 percent of Michigan's workers were jobless.[2]

The classic definition of a recession was used to define the time period for this research: a decline in the Real Gross National Product (GNP) for two consecutive quarters. Real refers to the adjustment made in figures to constant 1972 dollars, thus eliminating the influence of inflation.

The newspapers were chosen as publications in cities at the two extremes in this recession: most severely affected and least affected. In order of rates of recession, (as indexed by unemployment) from worst to least affected, they

are: the Flint Journal, Detroit News, Lansing State Journal, Grand Rapids Press and Ann Arbor News.

Flint was the gloomiest city in the nation for much of the recession. Unemployment in Genesee and Shiawassee counties was staggering, reaching 17.7 percent in 1980 and climbing to 20.8 percent in 1982. Personal per capita income actually dropped, despite strong inflation, by 1.3 percent while other areas of the state were able to eke out at least a minor gain.[4]

Home of the recession-wracked auto industry, Detroit became a national symbol of the new Rust Belt. Unemployment in its home counties (Livingston, Lapeer, Macomb, Oakland, St. Clair and Wayne) peaked at 16 percent in 1982. In December of 1982, the rate was 17.7 percent.[5]

The pill was less bitter for Lansing and Grand Rapids, which did not rely as heavily upon the ups and downs of the auto industry. Unemployment in Lansing's Ingham and Eaton counties was 10.4 percent in 1980, dropped to 10.1 percent in 1981 and rose to 12 percent in 1982. Per capita income rose 4.2 percent in 1982 over 1981. In Grand Rapids' Kent and Ottawa counties, unemployment was a relatively low 8.3 percent in 1980 and only reached double figures in 1982 when the rate was 11.9 percent.[6]

Ann Arbor's Washtenaw County recorded the lowest unemployment rate among the state's urban areas for 1982 --

9.9 percent, close to the national civilian unemployment rate of 9.7 percent. During 1980, Ann Arbor had an unemployment rate of 8.1 percent, less than half that of Flint's that year and not far from the national rate of 7 percent. In 1981, Ann Arbor's unemployment rate dropped to 7.8 percent. Per capita income rose 3.5 percent from 1981 to 1982.[7]

The 1979-82 recession was a double-dipped recession, with low points in 1979-80 and 1982. According to the President's Council of Economic Advisers, the first quarterly drop in GNP occurred in the second quarter of 1979 when GNP fell 1.7 percent. The economy stagnated for several quarters and then dropped 0.4 percent in the second quarter of 1980 and 1.5 percent in the second quarter of 1981. The GNP plummeted for two consecutive quarters in the last quarter of 1981 and the first of 1982. It sank more than 5 percent each quarter. GNP fell 2.5 percent in the last quarter of 1982 and then a recovery began to pick up steam.[8]

Other indicators, however, are important in defining a recession. Corporate profits before taxes dropped from $179 billion in 1979 to $169 billion in 1980. After a slight recovery in 1981, profits plunged to a bleak $149.6 billion.[9] Industrial production and utilization of industrial capacity also deteriorated in those years,

sinking 3.6 percent in 1980, rebounding 2.7 percent in 1981 and dropping a whooping 8.2 percent in 1982. [10]

For purposes of this study, the rate of recession will be measured by the level of unemployment in a newspaper's home counties. This indicator is applied uniformly to all five newspapers' home counties and is recognized by economists and government statisticians as a significant statistic in measuring the health of the economy. The federal government in 1961 established the President's Committee to Appraise Employment and Unemployment Statistics because of "their importance as measures of the economic health and well-being of the nation." This is not to say that there is any single measure of the nation's economic health, but the rate of employment is considered among the most significant in determining its health. [11]

Fourteen issues of each of the five newspapers from the last quarter of 1978, just prior to the recession, were selected at random. The dates were chosen to construct two weeks of publication. Corresponding dates were then selected from the last quarter of 1982, the low point of the recession. As a result, both sets of weeks in 1978 and 1982 had the same number of days from October, November and December. Likewise, each day was compared with a day at approximately the same point of the quarter. The procedure was designed to avoid as much as possible any seasonable

variations that would exaggerate or minimize differences between the 1978 and 1982 content.

Feldman and Aronoff's definition of economic and business news will be used in this study. In their 1980 article, "Trends in Newspaper Coverage of Business and Economics, 1968-78," they classified business news for their content analysis as:

> 1.) having a title or headline.
>
> 2.) addressing a business or economic topic throughout its content.
>
> 3.) being concerned with one or more of the following: production, distribution and consumption of wealth and goods; resource allocation; labor; finance; taxation; buying and selling of commodities and services; foreign commerce and trade; agribusiness; business and the environment and government's role in business.[12]

Included in this definition are newspaper articles, photographs, charts, drawings and other illustrations.

A question arises about including stock and bond market tables. Aronoff and Feldman did not measure column inches within the financial sections and so did not face this question. When counting stories in all sections, they counted the stock and bond tables as one story. Because some form of listings was carried consistently six days a week in the five Michigan newspapers, using or not using the tables in this content analysis would increase or decrease the actual number of column inches by a consistent

amount. Thus the comparative results would not be changed either way. But because the focus of this study is on the decisions editors make in covering business news during a recession, the decision was made to not use the stock and bond tables.

The first phase of content analysis, using microfilm, measured column inches devoted to business news stories and graphics and then counted the number of business stories appearing on the front page.[13] (See Appendix A.)

For the 1982 issues, a second content analysis was conducted to code news according to its reflection of the economy. The coding measured column inches of local, state, national and international recession-sensitive news as well as good economic news. (See Appendix B.)

The second phase of content analysis categorized news as "recession-sensitive" or "good."

Recession-sensitive stories include news about events and trends that are a result of the recession, such as a reports on declining productivity and raises in unemployment levels, layoffs at factories and plant closings, and government efforts to stem the recession tide. Such stories also include the jobs bill debated by Congress through the last half of 1982 and the struggle of the state of Michigan to cope with its tremendous load of unemployment payments. This news may not always be

completely negative, such as the announcement by General Motors that it would pay out $300 Christmas bonuses to the thousands of laid-off GM workers in 1982. While this news was good news, it was an event that occurred because a recession had thrown so many people out of work.

Labor news was included in this recession category only when there was a connection with the recession. Thus, almost all of the stories about the United Auto Workers negotiations with the auto industry in 1982 fell into this category because the issues included sizable concessions on the behalf of workers to help out the striken auto industry. But almost none of the stories about routine labor negotiations belong in this category, including the semi-annual negotiations between school districts and their teachers.

"Good" economic news stories are the opposite of recession-sensitive news. These are stories about a strong economy or a major improvement in the economy. Included in this would be stories about new business or factories opening or existing business or factories expanding, substantial improvements in economic indicators, if the statistic is interpreted as being a sign of a true improvement and not a statistical fluke or aberration, and other stories about comebacks in the business and industrial sector. Not included in this definition are

stories that, while upbeat, are not indications of a robust economy, such as profiles and features on people and businesses.

For both the recession and "good" business news categories, sub-categories were created for local news (news pertaining to the circulation area of newspaper), state news (news outside the circulation area but within the state of Michigan), national news (news about or within the nation) and international news (news outside the United States or involving the United States and an outside interest).

Following the work of Feldman and Aronoff, the study used a standard column measurement for all single-column copy to even out variations in width. Where a story has been set in a double-column type, the study assigned a double factor to the measurement. Where the width was a column and a half, a factor of 1.5 was assigned.

Once the data were collected, the means for business news coverage, illustrations, and front-page stories for each newspaper were computed in the first phase of the content analysis. Likewise, the means for local, state, national, and all-recession sensitive news and "good" economic-business news were computed in the second phase. The mean represents the average amount of space, as a percentage of the total news hole, devoted to each category.

The means for these categories were expected to provide an indication of any change in coverage between 1978 and 1982 as well as between newspapers during the recession in 1982. The count of front-page business stories was designed to provide an indication of any change in the degree of prominence afforded business news.

A matched pairs t-test was used to test for significance in the difference in means between the 1978 and 1982 data for each newspaper. Matched pairs t-testing was chosen because the 1982 dates were matched to the randomly selected 1978 dates. An analysis of variance was used to test for significance in the difference between means in the 1982 figures for recession news in the five newspapers. A matched pairs sign test was used for the analysis of the front page story count.

An intra-coder reliability test was conducted to test for discrepancies in coding.[14]

As the second phase of this study, business editors of the newspapers in 1978 and 1982 were surveyed. They were asked whether business coverage had increased during the recession, whether more illustrations had been used and what kind of business increased, if it increased at all.

They also were asked whether they agreed with the Aronoff-Feldman hypothesis. Do newspapers increase business coverage in bad economic times more than in good

times?

Because such a small sample was used, the results cannot be taken as statistical evidence but as explanation for the results of the content analysis.

A standard, two-page survey form with a stamped, addressed envelope was mailed to each of the editors, some of whom had moved to other newspapers or other positions at the newspaper. (See Appendix C.)

Results of the survey were expected to provide additional support and possible explanation for the results of the content analysis.

Of the nine editors identified as responsible for placing business news in the newspapers in those years, seven returned surveys or were interviewed by telephone when no survey was returned. At least one editor from each newspaper participated in the survey.

METHODOLOGY NOTES

1. Ole R. Holsti, Content Analysis for the Social Sciences and Humanities, (Reading, Mass.: Addison-Wesley Publishing Co., 1969), p. 3.

2. Michigan, Employment Security Commission, Job Service, Michigan Labor Market Review vol. 37, no. 12 (December 1981), p. 3.

3. While it is correct to say that, among the state's urban areas, Flint recorded the highest unemployment rate in 1982 and Ann Arbor the lowest rate, there were counties that recorded more extreme rates. They were, however, rural and thinly populated areas. Isabella County in mid-Michigan reported the absolute lowest unemployment rate that year -- 8.4 percent. In this rural county, the number of unemployed workers that year was only 2,450. Several counties in the Upper Peninsula reported the highest unemployment in 1982. But in this area, the unemployed numbered only a few thousand, sometimes only a few hundred. The absolute highest rate was recorded in Presque Isle County -- 24.6 percent. The figures came from David I. Verway, editor of the Michigan Statistical Abstract, 18th ed. (Detroit, Michigan: Bureau of Business Research, Wayne State University, 1984), pp. 153-165.

4. Michigan Statistical Abstract, pp. 203-204 on per capita income and pp. 153-265 for unemployment figures.

5. Ibid.

6. Ibid.

7. Ibid.

8. U.S., Council of Economic Advisers, Economic Indicators (Washington, D.C.: U.S. Government Printing Office, January 1981 and January 1983), p. 1 of both.

9. Economic Indicators, January 1983, p. 8.

10. Ibid, p. 12.

11. Douglas Greenwald, ed. Encyclopedia of Economics (New York, N.Y.: McGraw Hill Book Co., 1982), p. 98, 334.

12. Feldman and Aronoff, p. 55.

13. More specifically, the first phase of content analysis measured:

-- column inches devoted to business news stories, including headline and byline space. Commentary, such as letters to the editor and editorials on business topics, was measured as well and combined with this figure.

-- column inches devoted to illustrations, including drawings, photos, graphics, charts and other visual devices.

-- number of business stories appearing on the front page.

14. The intra-coder test showed a 89 percent agreement between the way coding was conducted in February 1985 and during the intra-coder test in May 1985.

FINDINGS

Content Analysis Discussion

Content analysis indicates that the five Michigan newspapers increased coverage of business and economic news as the recession grew worse.

The Flint Journal, in a city with the highest unemployment among the five and therefore the greatest amount of recession, increased coverage the most. Between 1978 and 1982, the newspaper expanded space devoted to business and economics by 170 percent.

Analysis of the other four newspapers found a smaller increase in coverage during the recession. The Detroit News increased coverage by 14.1 percent; the Lansing State Journal, 7.3 percent; the Grand Rapids Press, 26 percent, and the Ann Arbor News, 17 percent.

Overall, coverage by the five newspapers increased an average of 33 percent between 1978 and 1982. A t-test found the increase to be significant.[1]

Tables 1 and 2 detail the increase in space devoted to business and economic news for the five newspapers between 1978 and 1982.

Table 1: Amount of space devoted to business news in 1978 and 1982, expressed in average percent of total news hole.

Community	Percent of news hole devoted to business news: 1978	1982
Flint	5.0	13.3
Ann Arbor	9.7	11.0
Lansing	10.1	10.8
Detroit	8.5	9.7
Grand Rapids	7.4	9.3

Table 2: Increase in news hole devoted to business coverage between 1978 and 1982.

Community	Percent of increase	Increase rank	Perct of 1982 unemployment	Unemploy. rank
Flint	170%	1	20.8%	1
Grand Rapids	26%	2	11.9%	4
Ann Arbor	17%	3	9.9	5
Detroit	14%	4	16.0%	2
Lansing	7%	5	12.0%	3

A matched pairs t-test found the increase for the Flint and Grand Rapids newspapers (Table 2) significant, beyond the .001 and .05 levels respectively. Increases for the other three newspapers were not statistically significant.

It is clear from the analysis results, however, that there was a trend toward increasing coverage of business and economic news during the recession. Thus, it can be said that this study generally supports Hypothesis 1, which states that business and economic coverage will increase as

economic conditions worsens.

The results of the statistical test also suggest a different analysis of the data. The reason for Flint's increase fits Hypothesis 1 best. With the highest level of unemployment, Flint was expected to show the greatest increase in coverage. But why did the Grand Rapids newspaper record an increase in coverage greater than cities with higher 1982 unemployment rates?

One answer may be that among the five newspapers' home counties, Flint and Grand Rapids recorded the *greatest increase* in unemployment between 1979, when the recession began, and 1982.

Unemployment in Flint's Genessee and Shiawassee counties soared from 8.8 percent at the beginning of the recession in 1979 to 20.8 percent in 1982, an increase of 136 percent. Unemployment in Grand Rapids' Kent and Ottawa counties climbed from 5.5 percent to 12 percent, an increase of 116 percent.[2] (See Table 3)

Table 3: Increase in unemployment 1979-1982 compared with increase in business coverage 1978-1982.

City	Percent of news increase	Increase rank	Percent of increase in unemployment	Unempl. increase rank
Flint	170%	1	136%	1
Grand Rapids	26%	2	116%	2
Ann Arbor	17%	3	68%	5
Detroit	14%	4	100%	4
Lansing	7%	5	114%	3

As noted earlier, only the first two increases in business coverage, those for Flint and Grand Rapids, were statistically significant. Those two correspond in rankings exactly in Table 3 but not in Table 2. Chance may have played a role in the increases found for Ann Arbor, Detroit and Lansing. However, just looking at the statistically significant figures, it could be argued that it is the trauma of recession that causes newspapaers to increase coverage of business and economic news, rather than the absolute unemployment rate for a single year. In other words, a city may suffer more trauma even if the unemployment rate never climbs as high as it does in another city.

An analogy may be made at the personal level. A family whose income drops from $900 to $400 a week may feel more constrained by the recession than the family whose income drops from $500 to $350. The change, not the final figure,

may be the significant factor here.

The content analysis also found that business and economic news was given far more prominence during the recession than before. The number of business and economic stories on the front pages of the 140 newspapers analyzed jumped dramatically between 1978 and 1982. The Flint Journal again led the pack by a considerable margin. (See Table 4.)

While the Flint newspaper carried about one front page business story only every two days in 1978, it carried more than two a day by 1982.

Table 4: Increase in front page business stories between 1978 and 1982, average number of front page business stories

Community	Percent of increase	Avg. no. of front page stories 1978	1982
Flint	276%	.57	2.14
Ann Arbor	108%	.79	1.64
Detroit	75%	1.93	3.14
Grand Rapids	72%	.79	1.36
Lansing	57%	2.14	3.36

A sign test for matched pairs found statistical significance in the increase for Flint and Lansing. Test results for Ann Arbor, Grand Rapids and Detroit could not reject the null hypothesis that the increases could be

ascribed to chance sample selection.

However, an increase in front page stories by as much as 108 percent and even 75 percent suggests that there is evidence of a change in newspaper priorities during the recession.

Although Flint showed the greatest increase, Lansing on the average printed the most front-page economic and business stories in both 1978 and 1982. It was followed by Detroit which printed the second most in both years as well. In fact, the newspapers kept their relative positions in terms of number of front page stories in 1978 and 1982. It appears the recession, regardless of its severity, had approximately the same influence on each of the newspaper's decision to award prominence to business and economic news.

Use of illustrations and graphics increased sharply in three of the five newspapers. Such an increase could be interpreted as an attempt to make business and economic stories more understandable and to emphasize the importance of the information. Again the Flint Journal led the way, as Table 5 shows.

Table 5: Percent of increase in business story graphics and average percent of news hole devoted to graphics.

Community	Percent of increase	Pct. of space devoted to graphics 1978	1982
Flint	265%	.41	1.50
Lansing	114%	.42	.90
Detroit	107%	.82	1.70
Ann Arbor	10%	1.00	1.10
Grand Rapids	-16%	.84	.71

A t-test found the increase for Flint, Lansing and Detroit newspapers to be significant.[3]

The first phase of content analysis found a trend among newspapers to increase coverage, use more graphics and give more prominence to business news during the recession.

The data support the idea that it is the increase in unemployment, rather than the absolute rate of unemployment in any given year, that corresponds to the increase in business coverage during a recession.

The data did not give support to the hypothesis that there is a connection between the severity of a city's recession --in terms of absolute unemployment -- and news coverage, however.

Flint, with the highest unemployment, carried the most coverage by the end of the recession and recorded the greatest increase in coverage during the recession. But Detroit, which had the second worst economy, did not record

the second highest level of coverage. Instead, it had the next-to-lowest increase in coverage and next-to-lowest coverage. The relationship did not hold as might have been expected in this refinement of the Feldman and Aronoff hypothesis. Instead it was Flint and Grand Rapids, cities with the greatest increase in unemployment during the recession, that recorded the greatest increase in business coverage.

The study is thus unable to offer clear support to Hypothesis 2 that the deeper the recession in a city, the more business news will be published in the city's newspaper.

The study did find a component of business news that increased with the local recession, specifically local recession-sensitive news.

Research Hypothesis 3, also an extension of the Feldman and Aronoff hypothesis, suggested that business news specifically reflecting the recession economy should correspond to the level of recession in a city. The more recession, the more news reflecting the recession should be published. If true, this would be an indication that the health of the economy is an indicator of economic and business coverage in a newspaper.

Research Hypothesis 4, again extending the original hypothesis, suggested that it is specifically local

recession business news that corresponds to the city's worsening economy.

To test Hypotheses 3 and 4, a second content analysis was conducted on only the 1982 newspapers used in the first study. This content analysis coded both recession-sensitive and "good" economic news at the local, state, national and international levels.

The mean for all categories of 1982 recession news combined (local, state, national and international) as a percent of total news hole gave greater support than the earlier data for the Hypothesis 3 that the more local recession, the more recession news. (See Table 6.)

Table 6: Percent of news hole devoted to all recession news in 1982

Community	Percent of news hole	Rank	1982 unemployment	Rank
Flint	6.30	1	20.8	1
Lansing	3.60	2	12.0	3
Grand Rapids	3.58	3	11.9	4
Detroit	3.46	4	16.0	2
Ann Arbor	2.82	5	9.9	5

An analysis of variance indicated high statistical signficance for differences between cities in the data.[4]

While the ranking did not correspond perfectly with that for unemployment, the extremes of the trend were there.

Flint, with highest unemployment, had the most recession news and Ann Arbor, with the lowest unemployment, had the least. Detroit, Lansing and Grand Rapids had nearly the same percentage, roughly 3.5 and were grouped in the center.

The question arises: Is there a component of recession news that more perfectly corresponds to a city's extent of recession?

Logic suggests that it is local recession news that should increase as the amount of local unemployment increases. (Local in this sense means the general readership area.)

A near-perfect relationship did emerge for 1982 content coded for local recession news. The city with the highest 1982 unemployment, Flint, had a newspaper that devoted the greatest amount of space to local recession news. (See Table 7.)

The order held down the line until the last two, Grand Rapids and Ann Arbor, which reversed their positions but were very close in their coverage of local recession news.

Table 7: Percent of news hole devoted to 1982 local recession news

Community	Percent of news hole	Rank	1982 unemployment	Rank
Flint	2.18	1	20.8%	1
Detroit	1.69	2	16.0%	2
Lansing	.96	3	12.0%	3
Ann Arbor	.62	4	9.9%	5
Grand Rapids	.34	5	11.9%	4

Although Ann Arbor and Grand Rapids switch places, they are within 0.3 percent of one another. It can be thus argued that the trend generally holds. Perhaps at a certain level of lower unemployment, the relationship between content and the local economy is less influential.

An analysis of variance showed the differences to be highly significant.[5]

Computing a combination of local and state recession news as a percentage of news hole also results in a ranking that strongly supports a variation of Hypothesis 4: the more local recession, the more local-state recession news. (See Table 8.)

Table 8: Percent of news hole devoted to local and state recession business news in 1982

Community	Percent of news hole	Rank	1982 unemployment	Rank
Flint	3.49%	1	20.8%	1
Detroit	2.18%	2	16.0%	2
Lansing	1.82%	3	12.0%	3
Ann Arbor	1.46%	4	9.9%	5
Grand Rapids	1.36%	5	11.9%	4

Interestingly, however, state recession news alone did not reflect the unemployment rankings.

Again Ann Arbor and Grand Rapids reversed positions. But this time, they finished even more closely to one another. They are within 0.1 percent of each other in coverage. In the analysis for only local recession news, there was 0.3 percent gap in the means for coverage. Thus, the two cities with the least unemployment also had virtually the same coverage of local and state unemployment news. The other newspapers corresponded exactly to their unemployment rankings.

An analysis of variance found the differences to be highly significant.[6]

Perhaps, one could argue, the same findings hold for the other categories of news, but that was not the case. National recession news showed no resemblence to the unemployment rankings. An analysis of variance showed no

statistical significance for the differences.

Table 9: Percent of news hole devoted to national recession business news in 1982

Community	Percent of news hole	Rank	1982 Unemployment	Rank
Flint	2.0%	1	20.8%	1
Grand Rapids	1.84%	2	11.9%	4
Lansing	1.66%	3	12%	3
Ann Arbor	1.36%	4	9.9%	5
Detroit	1.17%.	5	16%	2

State recession news also did not reflect the unemployment ranking.

Table 10: Percent of news hole devoted to state recession news in 1982

Community	Percent of news hole	Rank	1982 unemployment	Rank
Flint	1.31%	1	20.8%	1
Grand Rapids	1.02%	2	11.9%	4
Lansing	.86%	3	12.0	3
Ann Arbor	.84%	4	9.9	5
Detroit	.49%.	5	16.0%	2

An analysis of variance showed no statistical significance in the differences.

The amount of international news reflecting the recession in the United States was too small to be analyzed meaningfully.

Thus, it cannot be said that state or national recession

news increases with a city's level of unemployment. Only local recession news and a combination of state and local newss corresponded to unemployment. It appears that as a city sinks into recession, its newspaper responds by printing more news about the local and state economic situation.

The pattern did not hold for "good" economic news published by the five newspapers were not statistically significant in an analysis of variance.

The ranking for good news, however, was similar to the order found for all categroies of recession or "bad" news in 1982: Flint, Lansing, Grand Rapids, Ann Arbor and Detroit. (See Table 6.) A possible conclusion is that newspaper editors developed a sensitivity to any economic news whether it carried good or bad messages about the economy's health. (See Table 11.)

Table 11: Percent of news hole devoted to "good" business news in 1982

Community	Percent of news hole	Rank	1982 Unemployment	Rank
Flint	.97%	1	20.8%	1
Lansing	.55%	2	12.0%	3
Grand Rapids	.50%	3	11.9%	4
Ann Arbor	.36%	4	9.9%	5
Detroit	.30%	5	16.0%	2

The ranking also raises questions. Why should Flint have nearly twice as much "good" business news as Lansing

and Grand Rapids and three times as much as Ann Arbor, when Flint had double the unemployment of those cities? If the suggestion made earlier is true, it may be that the severity of Flint's recession exerted such an influence that Flint Journal editors were made particularly sensitive to any "economic barometer" news that reflected either an improvement or a deterioration in the local economy.

But why should the Detroit News carry so little good business news in relation to the other newspapers? The answer may lie in the fact that the News is a considerably larger newspaper than the other four and has more orientation to state-wide coverage. It is less likely that the News would have carried stories about the average new business, which makes up the bulk of "good" business news, than would a smaller newspaper.

On the other hand, the News could be expected to have run many "bad" economic news stories during the recession because it was often of much greater scope, such as stories about entire auto plants being mothballed and hundreds of workers being thrown out of work. Compare such a story with a new fish store opening. In that case, the News is more likely to run the "bad" news story and not the "good." But a smaller newspaper would be expected to run both. As a result, the total number of column inches of "good" business news would be affected.

There are several other ways of looking at the data in the second round of content analysis.

Feldman and Aronoff, in one of numerous comparisons, examined categories of business news as a percentage of *all business news* published in a newspaper. Thus far, this study has compared the categories of business news against the *total news hole* available, rather than against space solely devoted to all business news. Adapting that comparison for this study, a perfect relationship was found between coverage and unemployment levels.

The perfect relationship emerged when a percentage was calculated for a combination of local and state recession news as a percentage of all 1982 business news coded. Such a relationship suggests that it may be the combination of local and state recession news that is the component that varies in direct relation to unemployment, a variation on Hypothesis 4. (See Table 12.)

Table 12: Percent of business news devoted to local and state recession news in 1982.

Community	Percent of business news	Rank	1982 unemployment	Rank
Flint	26.2%	1	20.8%	1
Detroit	22.5%	2	16.0%	2
Lansing	16.8%	3	12.0%	3
Grand Rapids	14.6%	4	11.9%	4
Ann Arbor	13.3%	5	9.9%	5

A ranking based solely on local recession news as a

percentage of business news did not follow the unemployment order. (See Table 13.)

Table 13: Percent of business news devoted to local recession news in 1982.

Community	Percent of business news	Rank	1982 unemployment	Rank
Detroit	17.4%	1	16.0%	2
Flint	16.4%	2	20.8%	1
Lansing	8.86%	3	12.0%	3
Ann Arbor	5.6%	4	9.9%	5
Grand Rapids	3.66%	5	11.9%	4

A ranking based solely on state recession news as percentage of all business news also did not follow the unemployment order but was much farther from the mark. (See Table 14.)

Table 14: Percent of business news devoted to state recession news in 1982.

Community	Percent of business news	Rank	1982 unemployment	Rank
Grand Rapids	10.97%	1	11.9%	4
Flint	9.85%	2	20.8%	1
Lansing	7.96%	3	12.0%	3
Ann Arbor	7.64%	4	9.9%	5
Detroit	5.05%	5	16.0%	2

Why should the figure for local and state news, rather than simply local news, correspond more perfectly with the unemployment figures? The answer may lie in the definition of local and state news. Local news was defined as any

story written about the newspaper's immediate circulation area. Stories outside that area, but within Michigan, fell into the state category. Thus, news about a plant closing in a town 50 miles away often was coded as state news, but in reality the story usually had high local interest in terms of employment and economic impact. This is one of the problems of content analysis. The coding requires a category decision based upon manifest content rather than the latent content. But that content may be taken into account in the interpretation of data.[7]

Content Analysis Conclusion

The data in the first content analysis found an overall trend among the newspapers to increase business and economic news during the recession. The data did not, however, support the claim that the more recession, the more general business and economic news would be published.

The second content analysis found, however, that local recession news and a combination of local and state recession news are the components of business and economic news that correspond to the level of recession in a city.

Results of the tests of the hypotheses thus are as follows:

Hypothesis 1: The data support the claim by Feldman and Aronoff that business coverage will increase as economic

conditions worsen.

Hypothesis 2: The data do not support the hypothesis that the deeper the recession in a city, the more business news will be published in the city's newspaper.

Hypothesis 3: The data offer some support for the hypothesis that the amount of business news reflecting the recession will correspond to the level of recession in a city.

Hypothesis 4: The data do not support the hypothesis that local recession-sensitive business news will correspond to the level of a city's recession.

Survey Results

Most of the business editors at the newspapers said that the recession spurred the increase, although a few insisted that the increase was part of a less specific phenomenon -- a general economic awakening within their newspaper and America as a whole. In the final analysis, however, that awakening may have as its root cause the instability brought on by recent recessions.

All seven editors responding said that their newspapers' business and economic coverage increased between 1978 and 1982. Six said coverage increased significantly, one said slightly. Four of the seven linked the increase to the

recession, one was not sure.

Some editors, however, were reluctant to agree that the recession pushed their newspaper into more business coverage. Among those who did not see a link was former Detroit News business editor Kenneth Ross, now business editor of the Hartford Courant in Connecticut. He wrote in a letter accompanying his survey:

> The increase conicided with the recession, the recession wasn't the direct cause of it. That was more a general shift in attitudes on the part of News management.
>
> I think the interest of readers in business news is more closely related to the impact of the business community on an area than the ebb and flow of good and bad times. Hartford, with virtually no unemployment and a healthy, diversified economic base, seems just as interested in business news as Detroit.

Ross summed up his observations, "The trend (in coverage) is upward, regardless of the times."

Ed Kotler, who edited business news for the Grand Rapids Press in 1982 and now is a copy editor, argued in the opposite direction. The recession increased the coverage, he said. "There was a snowball effect. People had trouble getting car loans, mortgages, personal loans, the whole system underwent a dramatic overhaul," he said in a telephone interview.

It is interesting to note that the samples of the Grand Rapids Press showed an increase in business news during the recession of 26 percent while the Detroit News showed an increase of only 14 percent.

The former Detroit News business editor, however, said that the recession may have contributed to the prominence given to business news. "The recession may have resulted in a greater number of our (Detroit News) stories going to Page 1 on a regular basis," he wrote. The data support him. The content analysis found in a 75 percent increase in front page business stories between 1978 and 1982, a far greater increase than the 14 percent increase in coverage.

Al Wilhelm, metro editor of the Flint Journal, was responsible for assigning a variety of copy editors to handle business news in 1978 and 1982. He credits the recession only "partially" with causing the increase in business news that was "more people oriented in terms of impact."

The Flint newspaper has continued to publish more business news. "We're out of the recession and we're still increasing coverage," he said in a telephone interview. To support this contention, he noted that, in the past year, the number of business reporters has increased from two to four, and that two of those are working on masters of business administration degrees.

Support for the Feldman-Aronoff hypothesis was stronger when the question was asked more abstractly. Five of the seven editors agreed or probably agreed with Feldman and Aronoff's statement that newspapers publish more business

news during a recession than during stable economic times. "Bad news is news," said Ray Sleep, business columnist for the Ann Arbor News. "You don't write about a sunny day. But if you have a blizzard, you write a story."

Lyn Billitteri, business editor at the Lansing State Journal in 1978 and now state news copy editor with the Tampa Tribune, also agreed. "Readers perceive more economic impact on their lifestyle when things go badly; oddly, they don't seem to see the impact when things go well,'' she wrote.

Like Wilhelm, she believes that the increase in coverage has been maintained in the recovery period. She wrote:

> The increase in business news coverage has continued, perhaps because awareness of its importance was heightened during the recent recession. More likely, though, it's because of increased (business) advertising revenues . . . brought about by the recession and deregulation-induced changes in the market place.

The editors were less sure whether coverage increased more in a recession than in boom times. An extraordinary surge in the economy, they said, would merit extra coverage. "A major plant opening is as big a story as a major plant closing," wrote Chris Andrews, business editor at the Lansing State Journal during the last half of 1982 and now news editor.

The survey also lent support to the hypothesis that local and state recession news increased as the local

recession grew worse. When asked what kind of news increased the most during the recession (local and state business news, business columns, or wire business news), local and state business news was cited most often.

Four of the seven editors said that a new or extra business page was added during the recession, further supporting the idea that coverage increased. They were editors from the Flint Journal, Ann Arbor News, Detroit News and Lansing State Journal. All seven editors said their newspapers increased use of graphics to illustrate their business stories.

Business Editor Survey Conclusions

The editors involved in placing business news in their newspaper offer a perspective that could not be obtained from the content analysis alone.

They are better able to answer the question of *why* business news coverage increased during the recession. Specifically they bolster the hypothesis that a downturn in the economy causes newspapers to focus more sharply on the businesses and industries that fuel that economy.

Thus, the results of both the content analysis and survey support the Feldman and Aronoff hypothesis that a recession leads to more coverage of business and economic news.

There was not, of course, unanimous agreement about the cause of increased coverage, although a strong trend emerged. Other factors may be involved with the editors' assessment of the cause. It is only human nature to believe that a change, particularly one for the better, was caused by the initiative of the person or persons involved, instead of having the change thrust upon them by external events.

Recessions also are not "breaking" news that erupt one afternoon and are reported the next day. They are, instead, long-term trends that build over time and may modify the behavior of editors in a gradual way, rather than overnight. Thus, it may be more difficult for an editor to pinpoint the exact cause of a 26 percent increase in business news over four years, except to say that there was an economic awakening.

Finally, those who don't agree also may be correct. Perhaps, the recession did not increase news. But none of the editors surveyed was able to pinpoint another reason except for the vague term, economic awakening, which in the long run may be the same phenomenon as editors increasing business coverage in response to a downturn in the economy.

In fact, most of the editors agreed that coverage was boosted during the recession and most, but not all, agreed that the recession was the root cause. More agreed, however, with the Feldman-Aronoff hypothesis when it was

state abstractly.

In general, most business editors, viewing events three to six years afterward, could see the pattern that was suggested by Feldman and Aronoff.

FINDINGS NOTES

1. A t-test for the overall increase in business news among the five newspapers between 1978 and 1982 found t equals 2.348, which exceeds the 2.306 called for in a t-chart at the 95 percent confidence level and eight degrees of freedom.

2. David I. Verway, ed., Michigan Statistical Abstract, 18th ed. (Detroit, Michigan: Bureau of Business Research, Wayne State University, 1984), p. 157-160.

3. A t-test for the increase in business graphics in the Flint, Detroit and Lansing newspapers found t equals 4.54, 2.59, and 2.54 respectively. The t-chart at the 95 percent confidence level and 26 degrees of freedom called for a t of at least 2.056.

4. The analysis of variance test for the percent of news hole devoted to all-recession news found f equalled 5.604, far exceeding the f of 2.65 called for in an f table at the 95 percent confidence level. As in all of the analyses of variance for a sample of 14 in this study, a note of caution is added. The low sample size may have a modest normality departure.

5. The analysis of variance test for local recession news found f equalled 6.61. The f table at 95 percent significance calls for an f of 2.65.

A follow-up matched pair t-test indicated statistical significance for the differences between Detroit and Lansing, and between Lansing and Grand Rapids. The t-test found t was 2.397 and 2.074 respectively. The t-test for the other pairings did not reject the null hypothesis that the amount of news in one newspaper was no greater than in another.

6. The analysis of variance test for local and state recession news found f was 5.937. The f chart at 95 percent significance called for 2.65.

A follow-up matched pairs t-test found high statistical significance in the difference between Flint and Detroit's coverage. T was 2.241. The t-chart at 95 percent significance called for a t of 1.771. The t-test did not reject for the other pairs of newspapers the null hypothesis that local and state recession coverage was not greater from one newspaper to the next.

7. Ole R. Holsti, Content Analysis for the Social Science and Humanities, (Readings, Mass., Addison-Wesley Publishing Co., 1969), p. 12, 13.

DISCUSSION

Through the last two decades, researchers have charted the slow emergence of business news from obscurity to front-page visibility. They have offered vague reasons for this blossoming. The importance of the economy in the average reader's life is often mentioned. But the economoy is always with us. What is there about the economy that prompts more or less emphasis on business news?

This test and extension of Feldman and Aronoff's hypothesis -- that a connection exists between the economy's worsening condition and the amount of business news printed -- attempts to fill that gap. The content analysis and a survey of business editors found that the newspapers increased business and economic news during a recession, and that it was the local recession news that increased in relation to the level of recession.

From another perspective, it could be argued that this study simply documents a steady increase in coverage over time, unrelated to the recession. Hubbard's study, for example, ten years ago found a gradual increase and improvement in business coverage in the preceeding decade.

But Hubbard's 1975 survey of editors came at the conclusion of the severe 1971-75 recession. Moreover, the results were compared to results of a survey in 1965, a good economic time in America. It could be argued that, in fact,

Hubbard's study supports, rather than detracts from, the Feldman-Aronoff hypothesis. Note that Feldman and Aronoff based their hypothesis on the surge of business between 1971 and 1975, the same surge that Hubbard documented. But Feldman and Aronoff also found that the increase in coverage leveled off after 1975 when the economy regained momentum.

A big change between Hubbard's 1975 survey and the small sampling of editors in this study is the finding that business news has moved up the ladder of prominence. Where editors in 1975 complained about business news buried in the back of the paper, editors in 1985 commented that during the recession business news was pulled to the front of the paper. Many also said that the focus on business news has been maintained in the recovery. The content analysis of 140 issues of five newspapers, which found a 57-276 percent increase in Page One stories, is even stronger evidence of this move to the front of the paper.

Although it is not possible to compare directly the percentages of business and economic news as found by Stempel in 1962 (because the definitions probably do not coincide), it is possible to compare the relative rankings of those papers. He found the following order, in terms of most coverage: the Detroit News, Flint Journal, and Grand Rapids Press. The 1962 ranking appears to be determined by size of newspaper. In this study, the ranking is Flint,

Detroit, and Grand Rapids. Something -- the economic roller coaster rides of recent years, according to this study -- has caused the realignment so that the ranking follows the degree of unemployment in those cities.

This study also supports the Hynds findings that editors perceive greater public interest in business and economic news. This study also indicates that editors are finally heeding the advice of Carsell and Gallup who urged that business news be written with a broader audience in mind.

Several findings have raised interesting questions for mass communication researchers.

Does business coverage increase as much in boom economic times as it does in poor economic times? Several editors suspect that is the case. If this is so, then perhaps it is not the direction of the economy but the degree of change that is the prime influence in business coverage. The question could be investigated further by comparing the results of this study with a content analysis of newspapers in boom economies during the same period, such as in the some parts of the Sun Belt in the early 1980s.

Further, is local economic and business news the component that increases in a boom? The questions addresses the sensitivity of local news decisions to the local economy. This, again, could be investigated by comparing results of this study wth a content analysis of newspapers

in the Sun Belt.

This study's failure to clearly support Hypothesis 2 also raises questions. What percent of unemployment triggers an increase in coverage and can a specific level of unemployment be pinpointed? Or is the trauma of recession -- such as the relative increase in unemployment -- the triggering mechanism? The possibility of such a relationship was raised in this study but more needs to be done to confirm its existense. A long-range study could be conducted, comparing the amount of business coverage and changes in unemployment rates over several decades.

This study confirms a link between the economy and business coverage. Future studies are needed to pinpoint the mechanisms of that linkage.

Results from this study also may be used by newspaper editors in making decisions about business coverage. Newspapers, both those studied here and by Feldman and Aronoff, have expanded coverage in a recession. Editors indicated in this study and others that readers want to know about the economy and business. Given this information, an editor may ask: Is the newspaper currently meeting the demand for economic and business news?

Editors also may use this study in making decisions about the kind of business news that is important during a recession. In this study, it is local and state recession-

sensitive news that has increased with the local rate of recession. Editors may ask themselves whether their newspaper has responded adequately to a local recession with sufficient information about the effects of national and international trends on recession and, ultimately, on local readers.

Journalism educators may use this study to support increased training in business and the economy for student journalists. These journalism graduates likely will find themselves working for publishers and broadcasters who increasingly demand more business and economic news, particularly during an economic downturn.

In conclusion, the relationship between the economy and newspaper coverage is just emerging. The importance of the relationship makes investigation in this field an intriguing one.

APPENDICES

APPENDIX A

Content analysis coding form -- Phase 1

Name of newspaper: _____

Date of publication: _____

Page number	Total column inches	Inches of business news	Inches of business graphics	Number of front page business stories
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Totals_____

APPENDIX B

Content analysis coding form -- Phase 2

News to be coded is business recession-sensitive news.

Name of newspaper: _____

Date of publication: _____

Page no.	Total column inches	Local news inches	State news inches	Nat'l news inches	Intern'l news inches	Good news inches

Totals _____

APPENDIX C

Survey of business editors

Dear editor:

I am researching the connection between the amount of business news published between 1978 and 1982 and the condition of the economy. Would you kindly answer these questions? If you wish, you may add comments on the back. Please return the form in the addressed, stamped envelope supplied. Thank you for your help.

1. What is your title?
2. How long have you held this position? How long were you business editor?
3. How may years have you worked in journalism?
4. How many years have you worked for this newspaper?
5. What training in business and economics have you had?
   __ Work as a business-financial reporter
   __ College courses in economics, business or finance
   __ Seminars in business-financial reporting
   __ Other (Please describe)
6. How did the business coverage in your newspaper change, if at all, in the recession of 1979-82?
   __ Coverage increased significantly (Skip to Question 8).
   __ Coverage increased slightly (Skip to Question 8).
   __ Coverage remained unchanged.
   __ Coverage decreased slightly.
   __ Coverage decreased significantly.
7. Why was there a decrease in business news, in your estimation? (Or why was there no change in the amount of business news?)
8. If coverage increased, how did it increase? You may check more than one line.
   __ More local or state business news was published.
   __ More columns were used (financial, real estate, employment, etc.).
   __ More wire business stories were published.
9. Did the newspaper use more photographs, illustrations, or graphs to illustrate a business story?
   __ Yes __ No
10. Did the newspaper add a new business page during those years?
   __ Yes __ No

11. Did your business reporters receive additional training in those years?

__ Yes __ No

12. If business coverage increased, was the increase linked to the recession?

__ Yes __ No

13. Do you think readers are more interested in business news during a recession than in good economic times?

__ Yes __ No

14. Do you think readers are more interested in business news during a recession than in stable (not particularly bad or good) economic times?

__ Yes __ No

15. Several researchers have theorized that newspapers provide more business news during a recession than during stable economic times. What do you think?

---

16. Those researchers also have theorized that newspapers provide more business news during a recession than during good economic times. What do you think?

Thank you for your assistance. Please return this in the envelope provided. If the envelope is missing, please return to:

Nancy Crawley
514 Locust St.
Big Rapids, MI. 49307

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of the requirements for

M.A. degree in Journalism

Frederick Fico
Major professor

Date Fall 1985

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