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Media Slant: A Question of Cause and Effect

By N. Gregory Mankiw

Consumers of the news, both from television and print, sometimes feel that they are getting not just the facts but also a sizable dose of ideological spin. Yet have you ever wondered about the root cause of the varying political slants of different media outlets?

That is precisely the question that a young economist, Mathew Gentzkow, has been asking. A professor at the Booth School of Business at the University of Chicago, Mr. Gentzkow was recently awarded the John Bates Clark Medal by the American Economic Association for the best economist under the age of 40. (Full disclosure: As one of the association's vice presidents, I was among those who voted to give him this award.) His main contributions have been to our understanding of the economics of the media industry.

One of his research articles, of which he was a co-author with Jesse Shapiro, a University of Chicago colleague, studied the political slant of more than 400 daily newspapers nationwide. The first step in their analysis, which was published in 2010, was simply to measure the slant of each paper. But that itself was no easy task.

When you listen to Sean Hannity of Fox News and Rachel Maddow of MSNBC, for example, you probably have no trouble figuring out who leans right and who leans left. But social scientists like Mr. Gentzkow and Mr. Shapiro need more than subjective impressions. They require objective measurement, especially when studying hundreds of news outlets. Here the authors were devilishly clever.

Mr. Gentzkow and Mr. Shapiro went to the Congressional Record and used a computer algorithm to find phrases that were particularly associated with the rhetoric of politicians of the two major political parties. They found that Democrats were more likely than Republicans to use phrases like "minimum wage," "oil and gas companies" and "wildlife refuge." Republicans more often referred to "tax relief," "private property rights" and "economic growth." While Democrats were more likely to mention Rosa Parks, Republicans were more likely to mention the Grand Ole Opry.

With specific phrases associated with political stands, the researchers then analyzed newspaper articles from 2005 to determine which papers leaned left and which leaned right. (They looked only at news articles and excluded opinion columns.) That is, they computed an objective, if imperfect, measure of political slant based on the choice of language.

To confirm the validity of their measure, Mr. Gentzkow and Mr. Shapiro showed that it was correlated with results from subjective surveys of readers. For example, both the computer algorithm and newspaper readers rated The San Francisco Chronicle as a distinctly liberal paper, and The Washington Times and The Daily Oklahoman as distinctly conservative ones. Both measures put The New York Times as moderately left of center and The Wall Street Journal as moderately right.

With a measure of political slant in hand, the researchers then analyzed its determinants. That is, they examined why some papers write in a way that is more consistent with liberal rhetoric while others are more conservative.

A natural hypothesis is that a media outlet's perspective reflects the ideology of its owner. Indeed, much regulatory policy is premised on precisely this view. Policy makers sometimes take a jaundiced view of media consolidation on the grounds that high levels of cross-ownership reduce the range of political perspectives available to consumers.

From their study of newspapers, however, Mr. Gentzkow and Mr. Shapiro, find little evidence to support this hypothesis. After accounting for confounding factors like geographic proximity, they find that two newspapers with the same owner are no more likely to be ideologically similar than two random papers. Moreover, they find no correlation between the political slant of a paper and the owner's ideology, as judged by political donations.

So, if not the owner's politics, what determines whether a newspaper leans left or right? To answer this question, Mr. Gentzkow and Mr. Shapiro focus on regional papers, ignoring the few with national scope, like The Times. They find that potential customers are crucial.

If a paper serves a liberal community, it is likely to lean left, and if it serves a conservative community, it is likely to lean right. In addition, once its political slant is set, a paper is more likely to be read by households who share its perspective.

Religiosity also plays a role in the story, and it helps Mr. Gentzkow and Mr. Shapiro sort out cause and effect. They find that in regions where a high percentage of the population attends church regularly, there are more conservatives, and newspapers have a conservative slant. They argue that because newspapers probably don't influence how religious a community is, the best explanation is that causation runs from the community's politics to the newspaper's slant, rather than the other way around.

The bottom line is simple: Media owners generally do not try to mold the population to their own brand of politics. Instead, like other business owners, they maximize profit by giving customers what they want.

These findings speak well of the marketplace. In the market for news, as in most other markets, Adam Smith's invisible hand leads producers to cater to consumers. But the findings also raise a more troubling question about the media's role as a democratic institution. How likely is it that we as citizens will change our minds, or reach compromise with those who have differing views, if all of us are getting our news from sources that reinforce the opinions we start with?