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“Markets, Ownership, and the Quality of Campaign News Coverage”

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Abstract

The quality of political news coverage has implications for the information voters are left with to make political decisions. This article argues that the quality of the information found in political news is influenced by media ownership and market contexts. Using original data containing news coverage of competitive statewide races in 2004, coverage provided by multiple media outlets is examined as a function of ownership structure and market context. The results indicate that corporate ownership and market contexts matter in determining the quality of information offered in political news coverage.

The primary and most important function of the media in a democracy is to provide the public with sufficient information for evaluating leaders and governance, and for making electoral choices.¹ However, the mainstream media in the United States has a well known tendency to shirk when it comes to providing the public with policy-relevant political information (Patterson 1993; Arnold 2004), especially when competing with entertainment news or other commercially appealing news items (McManus 1994; Zaller 1999; Hamilton 2004; Iyengar, Norpoth, and Hahn 2004). Of particular concern is the quality of election news coverage, which has clear implications for the information voters are left with in the campaign setting.

Increasingly, campaign news focuses more on the “game frame” or horserace news coverage (discussing who’s ahead, who’s behind, and campaign strategies and events) than on substantive policy issues (Kahn 1991; Patterson 1993; Graber 2002; Iyengar et al. 2004).² According to a study of the Missouri Democratic Primary, 65% of news stories focused on horserace coverage, while only 13% focused on policy issues (Benoit et al. 2007). A Center for Media and Public Affairs/Brookings Institute study of the 2000 presidential election found that 71% of all election stories focused on the horserace angle, offering no discussion of policy issues. Conventional wisdom and extant research attribute the overwhelming focus on the horserace to audience preferences for this type of coverage over coverage of policy issues (Iyengar et al. 2004).³

The trend toward non-substantive news content is more pronounced when it comes to coverage of non-presidential politics and elections (Arnold 2004). Coverage of non-presidential politics and elections is generally scarce. On the rare occasion when it is offered, only a fraction of the stories focus on policy issues.⁴ An Annenberg study on local news coverage of the 2004

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campaigns revealed only 5% of stories focused on local races. Less than a third of those 5% were about issues (Kaplan, Goldstein, and Hale 2005).

The paucity of quality local political news coverage is noteworthy enough to have captured the attention of lawmakers, and is a central issue in the debate within the Federal Communications Commission (FCC) regarding media ownership restrictions.⁵ At question is whether trends in media ownership are related to the shortage of quality local political news. The lack of data on the effects of media ownership has stymied the debate, revealing the need for further evidence concerning the effects of ownership and market competition. A primary objective of this article is to inform this debate, and to further our understanding of how media ownership and media market characteristics influence the substance in political news coverage.

The dearth of quality local political news coverage should have important implications for voter decision-making in non-presidential campaign environments. Trends such as the ones cited above renew our questions about the behavior and decision making of the media, and require movement away from scholarly treatment of the news as a black-box, exogenous force. The research presented here builds on previous theoretical and analytical work on the media (e.g. Epstein 1973; Sigelman 1973; Tuchman 1978; Kaniss 1991; Gans 1979; Napoli 1997; Cook 1998; Sparrow 1999), on the economics of organization (e.g. Moe 1988; Miller 1992), on corporate governance (e.g. Agrawal and Knoeber 1996; Himmelberg et al), and recent work linking market contexts to news content (e.g. Zaller 1999; Schaffner and Sellers 2003; Althaus and Trautman 2004; Arnold 2004; Hamilton 2004). The analysis below tests the influence of corporate media ownership and market context on the political substance (i.e. coverage of issues and discussion public policy) offered to voters in election news coverage.⁷ The results make

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clear that the ownership of news organizations and their market contexts have implications for the political information delivered to voters in the campaign setting.

The Institutional Characteristics of Media Organizations

The challenges that organizations face have received significant theoretical attention from new institutionalists (e.g. Moe 1988; Miller 1992). Since media organizations are hierarchical, motivated by profit, and similar in other ways to many types of firms, certain organizational principles common to firms (e.g. hierarchy, specialization, ownership) have the potential to explain behavior inside media organizations (Napoli 1997).

The Influence of Ownership Structure

Ownership structure can influence the goals and operation of organizations (Moe 1988). For example, in typical firms under corporate ownership, a manager is retained to run the firm according to the directives of the owner. However, in this arrangement is an ever-present management dilemma, which is the owner's control of the manager. Because managers are able to operate according to their own preferences, owners must sometimes monitor the manager's behavior to ensure compliance with directives (Miller 1992). According to previous work on corporate governance, it is more difficult to monitor managers in publicly held business corporations when compared to privately owned organizations because of the diverse and diffuse nature of public shareholders. Large groups of diverse shareholders cannot easily monitor or interfere in the daily operation of their firms (Demsetz and Lehn 1985; Hansmann 1988; Agrawal and Knoeber 1991).

The same logic can be applied to media companies. In a privately controlled media organization, managers and subordinates need only to be responsive to the preferences of a single owner, which might be driven by motivations other than profit maximization. Ideological

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or journalistic goals, for example, may govern a private owner's preferences for management of the firm.⁸ Bovitz et al. (2003) demonstrate that single entity owners operating under conditions of limited competition can control the ideological direction of news coverage.⁹ Schaffner and Sellers (2003) illustrate that independently owned newspapers cover their local House members more often than their chain-owned competitors.⁶ Simply put, ownership structure can influence coverage because a single owner (as opposed to a corporate structure) can more easily assert his or her preferences over the daily operation of the firm (Hamilton 2004).⁷

Alternatively, with public corporate ownership there is more separation between ownership and control, and diverse shareholder owners are limited in their ability to direct and interfere with the management of the firm (Agrawal and Knoeber 1996; Himmelberg et al). Assuming a lack of any unifying normative preference among an otherwise diverse set of shareholders, public corporate media ownership is less likely to be driven by anything other than a shared profit-making objective. Following this logic, under corporate ownership, news organizations are more likely to single-mindedly pursue profits. Since numerous studies link profit-driven news organizations to less substantive reporting (McManus 1994; Zaller 1999; Arnold 2004; Hamilton 2004), it is expected that publicly traded corporate news organizations will provide less substantive political news coverage than privately owned and controlled media organizations.⁸ Furthermore, ideological owners are more likely to prefer substantive issue coverage as a tool for pushing an ideology, while profit-oriented owners are more likely to prefer less substantive coverage (e.g. the horserace) because of its broad audience appeal.

H1: Publicly traded corporate media organizations will have a lower occurrence of substantive issue coverage in their news coverage than privately owned and controlled media organizations.

The Influence of Exogenous Market Forces

Organizations can also be subordinate to exogenous forces. Institutionalists have cited social class structure, geographic environment, ethnic context, economic conditions, and demographic context as forces shaping political organizations and institutions (March and Olsen 1989). In the world of the media, the same exogenous influences occur. Though journalists within the news organizations would prefer to produce more substantive reporting, all else constant (Zaller 1999), two primary market features intervene to affect the substance of news content provided by media organizations: competition within the media market (McManus 1994; Zaller 1999; Arnold 2004) and audience demographic characteristics (Hamilton 2004).⁹

When programs are targeted to certain demographic groups such as younger audiences, female audiences, or more affluent audiences, news content varies according to the preferences of those groups (Kaniss 1991; Hamilton 2004). Zaller (1999) and Arnold (2004) find that market competition leads to a decrease in the quality of the news product; or less substantive news coverage. McManus (1994) demonstrates that journalistic quality is inversely related to a media outlet's level of profit maximization effort. It is expected that high levels of market competition are related to less substantive news coverage.

H2: News organizations operating under conditions of low market competition will have a higher occurrence of news stories containing substantive political information than news organizations operating under conditions of high market competition.

Examining the Determinants of Political News

Testing the hypotheses offered above requires information on political news coverage and on the attributes of news organizations. This article examines election coverage of two highly competitive statewide races in 2004. The first is the US Senate race in Colorado between Republican Peter Coors, first-time politician and chairman of Coors Brewing Company, and the

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two-term state Attorney General, Democrat Ken Salazar. The second election is the Washington gubernatorial race between Democrat Christine Gregoire and Republican Dino Rossi. Both races attracted attention for their competitiveness. The vote for the Washington gubernatorial race was recounted three times to establish the winner, Christine Gregoire. The Senate race in Colorado was characterized as one of CNN's "Hot Races of 2004," and was the most expensive race in the state's history. Both races ended with an electoral margin of less than 5%.¹⁰

Statewide races were chosen for several reasons: 1) to ensure institutional variation among the media outlets, while also providing variation across market settings; 2) to have the market variation without introducing multiple elections, which would also need to be controlled for; and 3) the media market overlap is a better fit for statewide elections than House elections (Kahn 1991; Kahn and Kenney 2002). Though we should not necessarily anticipate to have the same expectations of a federal election (senate), and a state (gubernatorial) election (Kahn 1995), both were chosen to eliminate the possibility that the findings would be unique to one or the other. Highly competitive races were chosen due to the limitations of conducting research. Though this choice might call into question the generalizability of this study to non-competitive races, Kahn and Kenney (2002) note that highly competitive races typically get much more news coverage than non-competitive races. Given the aforementioned paucity of subnational election coverage, competitive races were chosen to ensure having a large enough sample of news content to allow the appropriate statistical analyses and enough variation in the types of news stories offered.

Newspaper and television coverage of the races was content analyzed and coded for political substance (e.g. coverage of policy or issues related to the election). The coverage analyzed spans the two months prior to the November election. Organizational data on the

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internal institutional features of the media outlets were collected using structured phone interviews of news personnel within each of the media outlets in the sample.¹¹ The interview gathered information about the resources dedicated to covering political news, general process and organization, as well as information about editorial control and policies. Data on the external market characteristics of the news organizations were taken from standard archival sources including the *2002-2003 Broadcasting and Cable Yearbook*, the *2004 Editor and Publisher International Yearbook*, and the U.S. Census Bureau. Using the news content provided by the media organizations in the sample, substantive issue coverage is examined as a function of their institutional characteristics and market contexts.

Issue Content in Political Election Coverage

News coverage, and in particular election coverage, can be categorized according to its content. Previous work describes election coverage in terms of: 1) issue coverage; 2) adwatch coverage, coverage where the media performs “truth checks” on political ads; 3) coverage of candidate traits; and 4) strategy and horserace coverage, which focuses primarily on strategies campaigns are employing or who is winning or losing (Graber 1972, 2002; Kahn 1991; Patterson 1993). Among these types of coverage, issue coverage (because it offers information on policy issues and candidate stances on issues) is thought to contain more substantive or informative content for use in voting. However, as noted above, policy matters are perceived to be less interesting for readers or viewers (Iyengar et al. 2004). As a result, superficial coverage such as the horserace is given more attention in election news, but is not very useful for making meaningful candidate evaluations and vote choices (Patterson 1993).

The dependent variable of interest is intended to capture the availability of political issue coverage in news stories. Two separate models of issue coverage are presented, one focusing on

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newspaper coverage, and the other on television news coverage. The unit of analysis is a news story. The dependent variable in each model is a dichotomous variable indicating whether or not a news story's focus is on issues (*Issue Coverage*). The stories were coded "1" if they focused on candidate issue positions, and coded "0" if they did not.

The dependent variable described above required coding the focus of each news story. This variable was coded according to coders' answers to the following question: In your opinion, what is the *primary* focus of the story? The answer choices were: issue coverage, adwatch coverage, coverage of personal characteristics, horserace coverage, strategy coverage, or other. Each coder was trained and provided a coding help sheet with descriptions of each type of coverage.¹² Inter-coder reliability scores are computed using Kappa. Kappa scores for newspaper stories and television stories are .66 and .62, respectively, indicating the reliability of the coding scheme.¹³

Influences on News Content

The presence of issue coverage in political news stories is treated as a function of two different sets of independent variables: the internal institutional arrangements of the individual media organizations and the attributes of the market environment surrounding the media organization. The primary independent variable of interest is a measure of whether the media organization is a publicly traded corporate media organization or privately owned and controlled (*Corporate*). This is a dichotomous variable, with "1" representing publicly traded corporately owned media organizations and "0" representing privately owned organizations. As noted above, large groups of heterogeneous shareholders hand down the only shared and easily monitored goal, the simple profit-making objective. Under corporate ownership, news organizations should be less likely to produce substantive political issue coverage.

The models also include measures of market characteristics, which capture the characteristics of the market in which each media organization operates. The first, (*Market Competition*), indicates the level of competition each television news outlet is facing in their market.¹⁴ As noted above, recent work links high levels of market competition to less substantive news coverage (McManus 1994; Zaller 1999; Arnold 2004). Market competition is expected to be negatively related to political issue coverage.¹⁵

Other market features influence news content as well. Educated and affluent audiences have been linked to a demand for more substantive news (Hamilton 2004). Market median household income (*Market Median Income*), included in the newspaper model, is expected to be positively related to political issue coverage. In the television model, a measure of education (*Percent High School DMA*) is included as a measure of education/affluence in lieu of the income variable.¹⁶ Generally, one might expect a higher presence of the educated or affluent in a market to represent a demand for more substantive news, as noted above. However, important differences between the demands of newspaper reporting and television news reporting warrant contrary expectations as well.

There are many notable differences between what audiences and advertisers demand from newspapers, and what they demand from television news outlets (Hamilton 2004). Local newspapers have a different target audience than television stations. Newspapers, due to the nature of their news product, know that their target audience is most likely to be the highly educated and affluent in their market area. Since their advertising rates are largely based on their subscription rates, they appeal to those most likely to subscribe, the more educated and more affluent.¹⁷ Alternatively, television has mass appeal. Television advertisers are aware of this, and want to attract mass audiences, who are generally known to prefer less substantive political

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reporting. Furthermore, it is well known that broadcasters cater to less educated audiences (Kaniss 1991). More generally, newspapers have larger “news holes” to fill than television news, making their selection criteria for news stories quite different. Substantive coverage is a natural compliment for newspapers, while broadcasters often face time constraints that mandate the choice of shorter, superficial news stories. Following this logic, low levels of substantive issue coverage are expected in television news, regardless of the level of education or affluence in the television market.

Hamilton (2004) identifies two additional demographic groups with particular news preferences. Both younger audiences (specifically ages 18-49)¹⁸ and female audiences are known to prefer less substantive news. Because these groups are both coveted by advertisers, their preferences for news content are often taken into consideration, especially in markets where they are prevalent (Hamilton 2004). The percent of younger people (*% Young in Market*) and the percentage of females in the market (*% Females in Market*) are included in the models.¹⁹ A larger presence of either should be negatively related to issue coverage.

Control variables are included to reflect institutional arrangements of the individual media organizations that might also explain variation in news coverage. Two variables relate to the size of the political reporting staff, the number of political reporters on staff (*Number of Political Reporters*) and the percent of political reporters on staff relative to the total number of reporters in the organization (*Percent Political Reporters*). Having fewer reporters on staff has been linked to heavy reliance on routine news sources such as wire services.²⁰ Kaniss (1991) argues that personnel related budgetary constraints (such as a limited number of reporters and their lack of “beat” assignments) lead to “news that often distorts the public’s understanding of

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local policy issues.”²¹ A smaller political reporting staff is expected to result in less substantive coverage of local political issues (Kaniss 1991).²²

The third reporting staff variable measure relates to the specialization of reporters on the political news staff, the percent of political newsbeats in the organization (*Percent Political Newsbeats*). With beat assignments, the quantity of in-depth reporting is said to improve. Reporters on political beats have expertise and developed relationships with sources (Kaniss 1991). Beat assignments should be positively related to issue coverage.

Four control variables are included in the models as well. The first is the circulation rate (*Circulation*), which is indicative of a paper’s size and resources. The second control is a dummy variable for the state of Colorado (*State*), included to control differences between the two states or elections that might account for variation in the content of political news stories.²³ The third control variable indicates the week of the campaign in which each news story was printed or aired (*Election Week*), and is included as a control for the news events during the campaign and the progress of the campaign, as horserace coverage tends to increase in the last weeks of the campaign while substantive issue coverage tends to decrease.

Findings

Given the dichotomous nature of the dependent variables, logistic regression is used to estimate the two models.²⁴ Table 1 presents the estimates from the logistic regression models and the change in the predicted probabilities that occur as a result of a change in each of the independent variables.²⁵ Column 1 presents coefficients for issue coverage in newspaper stories. Column 2 presents analyses for issue coverage found in television news stories.²⁶ The logit coefficients and corresponding standard errors for each model are presented and discussed in the sections below. Point estimates are offered and discussed as well.²⁷

[Insert Table 1 About Here]

Issue Coverage in Newspapers

Corporate ownership is significantly and negatively related to the presence of issue coverage in newspapers, confirming H1. The corporate ownership variable has strong substantive effect. The probability that a newspaper produces issue coverage decreases by 16% under corporate ownership as opposed to private ownership. To further demonstrate the impact of institutional features on news coverage, predicted probabilities were calculated for newspaper organizations of different sizes, and under different ownership structures.

A small newspaper under corporate ownership has a .17 probability of issue coverage in their stories, while a small newspaper under private ownership has a .31 chance of producing issue coverage. A corporately owned mid-sized newspaper exhibits only a .20 probability of issue coverage, while a privately owned mid-sized newspaper has a .36 probability of producing issue coverage. Similarly, a large corporate newspaper has only a .22 probability of issue coverage, while a large privately owned paper has a .39 probability of producing issue coverage. The predicted probabilities are displayed graphically in Figure 1.

[Insert Figure 1 About Here]

Figure 1 clearly illustrates the impact of corporate ownership. The graph demonstrates how publicly-traded and privately-owned newspaper organizations of different sizes measure up to each other in terms of their ability to produce issue coverage. The figures demonstrate that corporate ownership has strong effects. Large privately owned papers are most likely to produce issue coverage and small corporate organizations are the least likely to produce issue coverage.

The reporting staff variables and contextual variables reveal interesting findings as well. The number and percent of political reporters on the news staff are both positively and

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significantly related to issue coverage. An increase of one standard deviation in the number of political reporters or the percent of political reporters results in a 9% and 5% increase in the probability of issue coverage, respectively. Median income is positively and significantly related to political issue coverage in newspapers. With a change in median income of one standard deviation, we see a corresponding change of 5% in the probability of issue coverage. The median income variable performs as expected, which is not surprising given that newspapers usually target more educated and more affluent audiences (Hamilton 2004). The variable reflecting the percentage of younger audiences in a market conforms to expectations as well. The percent of people 20-44 in a newspaper market is negatively and significantly related to issue coverage. An increase of young audiences by one standard deviation reveals a 5% decrease in the probability of issue coverage. The expectation for female audiences in the market also holds. The percent of the market that is female is negatively and significantly related to issue coverage. We see a 7% change in the probability of issue coverage with an increase or decrease in the percentage of females by one standard deviation. As expected, it seems that in the effort to cater to the preferences of female and younger audiences, newspapers produce less issue coverage where they are prevalent in the market. Finally, the election week variable is significantly and negatively related to issue coverage, demonstrating that as the campaign progresses, issue coverage declines.

Issue Coverage in Television News

The coefficients in column 2 reveal support for H1 and H2. Corporate ownership is also negatively related to the presence of issue coverage in television news, confirming H1. In the television model, H2 is tested as well. Market competition is also significantly and negatively related to issue coverage, thus confirming H2. The fourth column in Table 1 reports the

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substantive effect of each independent variable of interest in the television model. Corporate ownership has a strong substantive impact. The probability that a local television station produces issue coverage decreases by 23% under corporate ownership as opposed to private ownership. Increasing or decreasing market competition by one standard deviation results in a moderate change of 3% in the probability of issue coverage. Figure 2 illustrates the probability of issue coverage for corporate and private television news outlets with under high, mid-level, and low levels of market competition.

[Insert Figure 2]

In figure 2, there is a clear difference in the probability of issue coverage for television news outlets under conditions of high, mid-level, and low market competition. As expected, more competition generally results in fewer instances of issue coverage. Under conditions of low market competition a corporately owned news organization has a .11 likelihood of producing issue coverage, while a private news outlet under the same market conditions exhibits a .40 probability of covering issues. Under moderate levels of market competition, a private news outlet has a .31 probability of covering issues, while a corporately owned outlet in this market would only have a .08 probability of covering issues. In extremely competitive markets, privately owned news organizations have a .24 probability of covering issues, while their corporate counterparts only have a .06 probability of covering the issues. Clearly there is a significant difference between the coverage provided by corporate and privately-owned media organizations. However, media organizations under both types of ownership structure are much more likely to have a higher incidence of issue coverage with less competition.

In this model the percent of political reporters and the percent of political newsbeats again have a positive and significant effect on the probability of issue coverage. A one standard

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deviation increase in the percent of political reporters results in a 2% change in the probability of issue coverage, while a change by one standard deviation in the percent of political newsbeats results in 4% change in the probability of issue coverage. The dummy variables indicating the last two weeks of the campaign are negative and significant confirming the expectation of decreased issue coverage in the final weeks of the campaign.

Conclusion

This article furthers our understanding of the relationship between the features of media organizations and the news content they produce. Common conjecture, politicians, and scholars alike have questioned and debated whether and how media ownership affects the quality of political news coverage without offering much empirical evidence to support conclusions about the quality of local political news coverage. Such evidence is presented above. This article draws on several literatures and offers a theoretically coherent answer to the question of how corporate media ownership and market context influence news coverage of local elections. Moreover, the evidence presented supports this theoretical explanation.

This study makes a contribution in several important ways. First, this work builds on our existing theoretical literature on the behavior of firms. The finding that public corporate ownership is negatively related to substantive political election coverage is consistent with new institutional accounts of organizational behavior (e.g. Moe 1988; Miller 1992; March and Olson 1989) and accounts of firm behavior from the literature on corporate governance (e.g. Hansmann 1988; Agrawal and Knoeber 1991). Second, recent empirical demonstrations of the relationship between market pressure, profit maximization efforts, and quality in political news coverage are supported by the reported negative impact of market competition on substantive political issue coverage (e.g. McManus 1994; Zaller 1999; Arnold 2004; Hamilton 2004). This study also takes

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into consideration variation within the individual news organizations while testing the effects of market context. By doing so, the findings provide a more complete picture of how the contextual and institutional characteristics of news organizations have independent effects on political news coverage. Finally, this study informs the current debate before the FCC regarding media ownership by providing a more precise understanding of how ownership structures and other institutional features of the news operate to influence political news content.

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Table 1: Probability of Issue Coverage, Newspaper and Television News Stories

		<i>Newspaper</i>	<i>Min/Max</i>	<i>+/- Sd</i>	<i>Television</i>	<i>Min/Max</i>	<i>+/- Sd</i>
Ownership Structure	Corporate	-.790*			-1.64*		
	Ownership	(.174)	-.16	--	(.988)	-.23	--
Contextual Factors	Market				-.004*		
	Competition	--	--	--	(.002)	-.69	-.03
	Med. Income/	.040*			.148		
	H.S. Education	(.008)	.29	.05	(.169)	.11	.05
	% Young in	-.059*					
	Market	(.021)	-.21	-.05	--	--	--
Control Variables	% Female in	-.427*					
	Market	(.178)	-.31	-.07	--	--	--
	Circulation	.068					
	(logged)	(.138)	.06	.02	--	--	--
	# Political	.105*					
	Reporters	(.021)	.26	.09	--	--	--
	% Political	.021*			.019*		
	Reporters	(.006)	.48	.05	(.009)	.06	.02
	% Political	.005			.020*		
	Newsbeats	(.005)	.06	.02	(.009)	.09	.04
	State	-.172	-.03	--	.721	.06	.04
		(.371)			(.858)		
	Election Week	-.086*	-.16	-.04	--	--	--
	(.044)						
Week 8	--	--	--	-.828*	-.07	--	
				(.522)			
Week 9	--	--	--	-1.31*	-.12	--	
				(.762)			
Constant	20.6*	--	--	-13.9	--	--	
	(8.54)			(13.9)			
		N=506, Prob>chi2=0.0000 Pseudo R2=.07			N=401, Prob>chi2=0.0000 Pseudo R2=.08		

Note: Cell entries are logit coefficients. Robust standard errors (clustering on news organization) are in parentheses. The changes in predicted probability are calculated by varying a particular variable from its minimum to maximum value (column denoted Min/Max) and by increasing or decreasing the value by one standard deviation (column denoted +/- Sd.) while holding all other variables constant at mean values. *p<.05

Figure 1: Newspaper Coverage of Political Issues by Circulation Size and Ownership Type

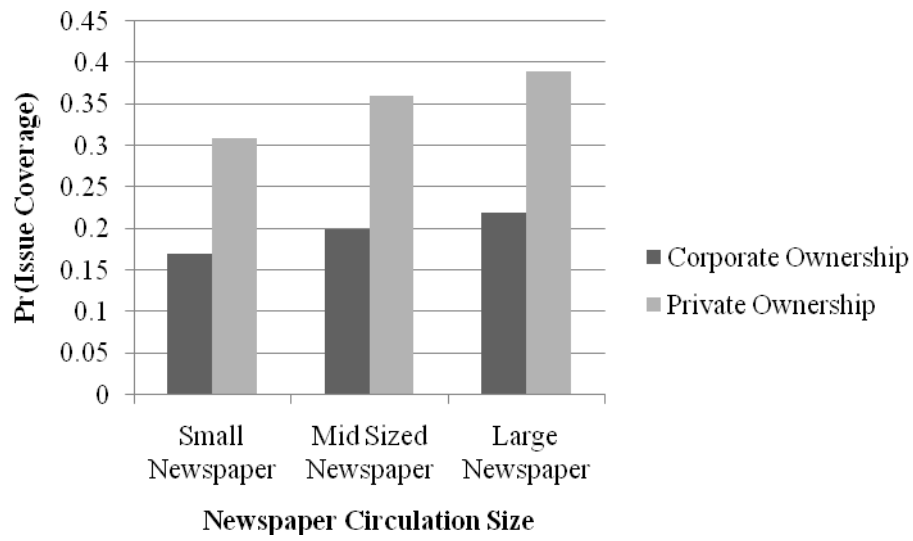
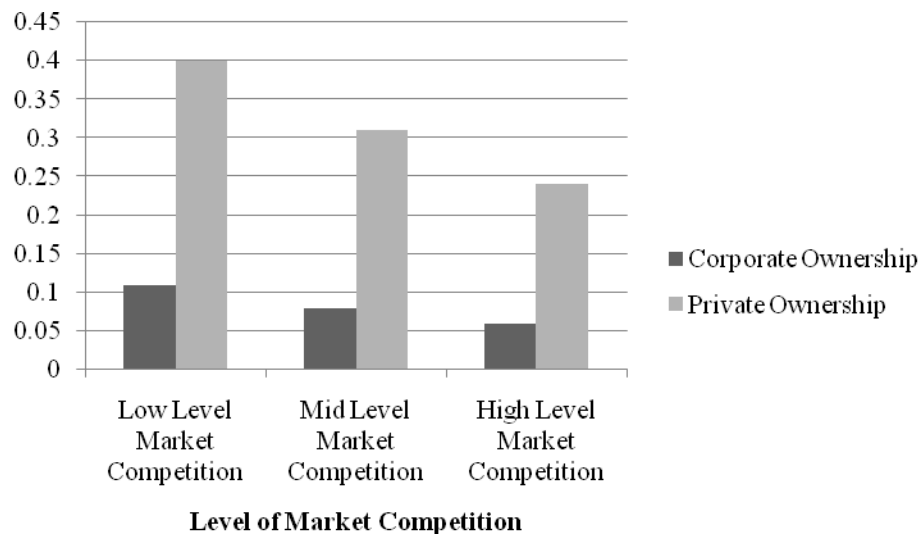


Figure 2: Television Coverage of Political Issues by Levels of Market Competition and Ownership Type



¹ The Project for Excellence in Journalism describes the essential mission of journalism as being “a public service for democracy.”

² Horserace coverage is campaign coverage that focuses primarily on who is winning or losing, such as the reporting of poll results (Graber 1972, 2002; Kahn 1991; Patterson 1993).

³ Experts unequivocally argue the focus on horserace coverage is driven by the need to attract /retain audiences. Iyengar et al. (2004) demonstrate the voter preference for horserace news.

⁴ A University of Wisconsin analysis of news coverage leading up to the 2006 mid term elections shows that 65% of stories focused on polling and strategy; 17% focused on policy.

⁵ Congress has taken note as well. Senator John McCain introduced the “Localism in Broadcasting Reform Act of 2005,” requiring local media outlets to more regularly document their efforts to serve the public interest.

⁷ Throughout this manuscript the terms issue substance and substantive issue coverage are used interchangeably to refer to coverage that contains political issues or public policy.

⁸ Several works note the potential influence of ideological owners (e.g. Herman and Chompsky 1988; Page 1996; Patterson and Donsbach 1996).

⁹ Hamilton (2004) notes that publicly traded media corporations are primarily motivated by profit maximization. Gilens and Hertzman (2000) demonstrated an instance in which news organizations under corporate media owners standing to gain from the passage of the 1996 Telecommunications Act were much less likely to cover the debate surrounding its passage.

⁶ Gentzkow and Shapiro (2006) find that ownership does not affect the economic motivation of a newspaper to slant content ideologically in the effort to appeal to certain audiences. However, Gentzkow and Shapiro study the effects of group or cross media ownership but do not investigate the differences between privately controlled and publicly traded, shareholder controlled news organizations. Furthermore they investigate newspaper slant, but do not investigate the influence of ownership on the *substance* found in political news content.

⁷ According to accounts from journalists, private owners are more likely to have some interest in maintaining a level of journalistic quality. This issue was often discussed in the reporting about the sale of the Knight-Ridder Corporation (for an account see www.nytimes.com/2006/03/14paper.html). Hamilton (2004) makes this point as well.

⁸ The term “publicly traded corporate media organization” refers to media firms owned by publicly held corporations, in which ownership and control is shared among numerous persons.

⁹ Zaller (1999) suggests that all else constant, journalists prefer to produce a higher quality news product, excersising their journalistic voice by engaging in more costly methods of highly active discovery such as investigative reporting, scoops, and news analysis.

¹⁰<http://www.cnn.com/ELECTION/2004/pages/results/anchors/carlos.watson.breakdown.html>

¹¹ Interested readers can find more detailed information on the news organizations and content data collection in the web appendix to this article.

¹² Alternative specifications of the model are presented in Web Appendix C.

¹³ Agreement was calculated using 10% of the sample as is standard practice (Stemler 2001). Further details on the computing of scores for inter-coder reliability and acceptable levels of agreement are available in the Web Appendix to this article.

¹⁴ All but two of the newspaper markets in the sample had only one newspaper. As a result, it was not logical to include a competition variable the newspaper model.

¹⁵ Market competition in the television markets is measured by the number of households in the designated market area divided by the number of television outlets in the market. Thus the measure reflects only the general competition level within each market by giving an indication of the potential market share for each outlet.

¹⁶ At the designated market area (DMA) level, this is the only measure of education or affluence that was not too highly correlated with other independent variables to be included in the model. As a check, base models have been run wherein the other affluence measures were included and the variables with which they are highly correlated excluded. These specifications did not yield different results for the primary independent variables of interest.

¹⁷ Also, most newspapers do not face competition from other local papers in their market. Thus newspapers face less overall competition from one another than television stations. In this sample, only two markets have more than one local paper, which does not allow much in terms of variation for competition in the newspaper data.

¹⁸ Alternatively, audiences 55 and older are known to prefer more substantive or hard news.

¹⁹ Demographic variables for age and gender are not included in the television model due to high correlation with key variables and multicollinearity. In the newspaper model, the measure of percent young is 20-44 rather than 18-49. This is due to the construction of the age categories in U.S. census data.

²⁰ Throughout the literature on news organizations “routine news channels” is a general way to describe the use of wire services such as the AP or NYT wire service.

²¹ The literature often suggests that this reliance on the same official sources distorts the public understanding because news continually generated this way only provides one perspective (e.g. Kaniss 1991).

²² In the newspaper model, the measure for the number of political reporters and the measure for the percent of political reporters are both included in the analysis. They are both included

because they are not correlated, and diagnostic tests indicated that the preferred model included both. The television model does not include the number of political reporters measure because it is highly correlated with percent political reporters, which is the preferred measure since it accounts for differences between the sizes of news outlets.

²³ Though the models have been run separately by state and the results hold, the data are pooled in order to have a larger sample and more statistical power.

²⁴ The proportion of newspaper stories containing substantive issue coverage is .31; the proportion of television news stories containing issue coverage is .14.

²⁵ Standard diagnostic tests were run for each model presented. Pearson's standardized residuals, deviance residuals, and Pregiborn leverage statistics were used to check for influential cases. In a few instances graphs of these residuals identified outliers. In each instance models were run with and without the outlying cases, and the models were not significantly affected. Upon close inspection of the outliers, no coding errors were located that would require the elimination of these cases from the analysis. Tests for multicollinearity revealed no evidence of it. Diagnostics indicated goodness of fit and no specification errors.

²⁶ The use of multilevel data can sometimes present problems due to serial dependence within clusters (here stories from the same news organizations), and heteroscedasticity across clusters. There are methods for dealing this (See Zorn 2001). Here the data are clustered by news organization, using the Huber/White/Sandwich estimation (White 1980), which adjusts the variance-covariance matrix to correct for heteroscedasticity and serial dependency.

²⁷ The coding of the news stories allows alternative specifications of the dependent variable. Models with alternative specifications of the dependent variable are offered as secondary analyses in Web Appendix C to this article.