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Good News in Bad News: How Negativity Enhances Economic Efficacy

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Negativity is a news ideology, and its negative effects on attitude formation are widely documented. Contrary to this view, the present study demonstrates that negative economic news can in fact be good news. Based on a two-wave national panel survey and a media content analysis, we show that individual exposure to negative economic news enhances *internal economic efficacy*, a sense of competence in and understanding of the economy. This is good news as internal economic efficacy may facilitate economic evaluations and decision making. The study reveals that changes in economic efficacy are driven by news attention aroused by the negative tone. However, not all individuals are susceptible to such media effects. Higher interest in economic news lowers the impact of negativity on attention arousal.

Keywords: internal economic efficacy, news exposure, negativity, news attention, economic interest

In recent decades, news has been increasingly negative; as a result, negativity has been declared a “news ideology” (Lengauer, Esser, & Berganza, 2012, p. 181) and the press “negative-centric” (Trussler & Soroka, 2014, p. 361). Hence, the news media have been criticized of being too negative. In the economic realm, the news media have even been held accountable for keeping the economy down by focusing too much on negative economic developments (Sennov, 2014). Due to the prevalence of negativity, much research has focused on its negative effects on economic perceptions. Critical voices claim that negativity leads to distorted negative worldviews of the economy (Goidel & Langley, 1995) and lower national economic expectations (Boomgaarden, van Spanje, Vliegenthart, & de Vreese, 2011; Hetherington, 1996).

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Despite such “media malaise” claims, negativity may also have some positive effects. The economy is a complex issue that can be difficult for citizens to understand. Although economic news may be primarily negative, it may also be useful in providing some clear answers of how to navigate in a complex economic reality. After all, individuals are better capable of using information when it has clear negative effects and leaves no unsettling surprises (Bandura, 1986; Graber, 1980). Thus, negativity may actually assist citizens in understanding or feeling more capable of handling economic matters. It has been demonstrated by various studies within the realm of politics that feeling capable of, or rather feeling internally efficacious, is an important prerequisite for being able to make political judgments, evaluations, and decisions (Kaid, McKinney, & Tedesco, 2007; Rudolph, Gangl, & Stevens, 2000). Also, internal efficacy is associated with less confusion in choice making (Raju, Lonial, & Mangold, 1995) and lower intimidation by challenges, conflicts, or disagreements (Valentino, Gregorowicz, & Groenendyk, 2009). Despite its importance in the political realm, internal efficacy has not yet been studied in the realm of economics. This is surprising because economic evaluations and judgments affect not only government evaluations and support but also form economic decisions that are essential to all human beings (Hetherington, 1996).

In this study, we took internal efficacy into the field of economics and investigated the effects of economic news exposure on the innovative concept of *internal economic efficacy*. As internal economic efficacy is uninvestigated, we relied primarily on the concept of internal political efficacy to argue why negative economic news exposure may have a positive effect on internal economic efficacy. Such potential good news in bad news would not only fly in the face of media malaise theories claiming negative effects of negative news exposure, it would also indicate that the news media may not let down the public and the economic world to the extent it has so far been criticized of doing. We expand prior research linking news exposure and internal political efficacy (Möller, de Vreese, Esser, & Kunz, 2014; Semetko & Valkenberg, 1998; Tewksbury, Hals, & Bibart, 2008) by taking not only general assessments of news exposure but also actual content into account. Bringing news content in seems an important step to make given that information processing depends on how information is presented. In relation to this, we wanted to unravel one of the mechanisms driving such potentially positive effects of negativity.

Economically Efficacious From News Exposure

So far, social science and media research has not dealt with internal economic efficacy, whereas more is known about *internal political efficacy*. Internal political efficacy covers individuals’ self-perceived ability to understand what is going on in the political system as it is defined as “beliefs about one’s own competence to understand and to participate effectively in politics” (Neimi, Graig, & Mattei, 1991, p. 1407).¹ We follow this definition and refer to *internal economic efficacy* as beliefs about one’s own competence to understand and to participate in economic matters. Thereby, internal economic efficacy captures both understanding of and competencies to handle economic matters, which requires that theories from different fields are combined to explain the concept.

¹ Internal efficacy is distinct from *external political efficacy*, which relates to “beliefs about the responsiveness of governmental authorities and institutions to citizen demands” (Neimi et al., 1991, p. 1408).

We turn to the seemingly identical concept of self-efficacy stemming from social psychology to theoretically explain the link between media exposure and internal economic efficacy. Self-efficacy refers to “people’s judgments of their capabilities to execute courses of action required to attain designated types of performances” (Bandura, 1986, p. 391). According to self-efficacy theory, efficacy judgments change over time as new information and experiences are acquired (Gist & Mitchell, 1992). One type of information that affects efficacy judgments is information-conveying experiences of others. So as not to make the same mistakes or to choose the best course of action, individuals observe other people’s actions and their consequences and make inferences about them. As the economy is partly an unobtrusive issue (suggested by Boomgaarden et al., 2011; Hetherington, 1996), individuals to a large extent depend on the news for learning about or getting experiences with economic matters. This makes news exposure a potential determinant of internal economic efficacy because the information acquired from news exposure serves as experiences that can be used to analyze task requirements and to consider what it takes to overcome the obstacles at hand (Gist & Mitchell, 1992). If observers can use the economic skills and behaviors expressed by others, it may help them to better understand economic matters and to overcome economic challenges, and thereby enhance their feelings of efficacy.

Although it has been studied only to a limited degree, some studies seem to support such a positive impact of news exposure on internal political efficacy. Kenski and Stroud (2006) found that online exposure to presidential campaign information had a positive effect on internal political efficacy. Möller et al. (2014) showed that internal efficacy changed positively when individuals were more exposed to newspapers and online news. These studies, however, relied solely on a general assessment of media exposure. We believe that actual news content must be considered; after all, individuals are exposed to tremendous amounts of information, but have only limited capacity to absorb it. Some news content may offer better guidelines on how to understand and deal with economic matters. Only a few studies have linked internal efficacy and exposure to actual news content. In an experimental study, Becker (2011) found that viewing late-night political comedy on cable and network television had a positive effect on internal efficacy. Tewksbury et al. (2008) showed that newspaper browsing, in the sense of looking for specific news content, was positively associated with internal political efficacy. Also, Baumgartner and Morris (2006) demonstrated that negativity in late-night news had a positive effect on internal efficacy. These results not only suggest that news content should be taken into account, they also deviate from media malaise theories claiming negative effects of news exposure. Based on these empirical studies of internal efficacy, there is reason to take news content into account when investigating media effects on internal economic efficacy. Next, we argue why negativity may be important to consider in relation to internal economic efficacy.

The Positive Effect of Negativity

Apart from being a news ideology, negativity affects how information is processed, which makes it relevant to study in relation to internal economic efficacy. Research from various fields such as neuroscience, psychology, and political science seems to agree that information processing is subject to a *negativity bias*. This means that individuals not only pay more attention to but also react asymmetrically to negative information than to positive information (Brader, 2006; Ito, Larsen, Smith, & Cacioppo, 1998;

Marcus, Neuman, & Mackuen, 2000; Meffert, Chung, Joiner, Waks, & Garst, 2006; Soroka, 2014). This negativity bias may lead to positive direct effects on internal efficacy for two reasons.

First, negativity may affect motivation to understand and make use of information to better deal with the threats, challenges, or obstacles at hand. According to affective intelligence theory, negativity activates the surveillance system that identifies novel and threatening information. When the surveillance system is activated, it "invokes greater attentiveness, greater thoughtfulness, and greater motivation for learning in just those situations that demand greater attention" (Marcus et al., 2000, p. 57). The surveillance system will most likely be activated by exposure to negative economic news because the information seems relevant and may be a potential threat to "economic survival." Therefore, individuals may be more motivated to understand and make use of economic information. At least, we know that individuals who feel involved with an issue or perceive information as relevant are more motivated to comprehend, reflect on, and make use of messages to find the best course of action to deal with the matters at hand (Celsi & Olson, 1988; Roser, 1990). This increased motivation to learn, understand, and make use of information to acquire skills that can be used to deal with economic challenges may have a positive effect on internal economic efficacy.

Second, as already expressed by self-efficacy theory, individuals learn by observing other peoples' actions and their consequences. As individuals are better able to learn through the observation of others when information has clear effects (Bandura, 1986), negativity may actually assist individuals in achieving better comprehension and serve as better guidance of which strategy to choose to deal with the economic matters at hand. Bandura (1997) claims that "knowledge of the rules and strategies for constructing effective (or ineffective) courses of behavior provides people with tools to manage the demands of their everyday life" (p. 80). In this light, exposures to negative economic information may serve as clear and useful experiences that individuals can draw on when judging their own economic capabilities. Even though the news may be bad, at least one would feel that "there will be no unsettling surprises" (Graber, 1980, p. 6). This potential "usefulness" of negativity is also expressed by Trussler and Soroka (2014), who claim that individuals strategically focus on negative information because it is more useful than positive information.

Based on these theoretical assumptions claiming that negative economic news increases motivation to make use of messages and that negative experiences of others serve as guidance for how to act and increase capabilities to deal with economic matters, we expected:

H1: Exposure to negative economic news would have a positive effect on changes in internal economic efficacy.

The Mediating Effect of Attention

As already expressed by the negativity bias, negativity elicits attention, and this "asymmetrical attentiveness" (Soroka, 2014, p. 21) to negativity has also been empirically supported (Chaffee & Kanihan, 1997; Lengauer et al., 2012; Meffert et al., 2006; Smith, Cacioppo, Larsen, & Chartrand, 2003).

The effects of increased attention seem crucial to consider in relation to internal economic efficacy for at least two reasons.

First, we know that learning from the experiences of others enhances self-efficacy. However, people cannot learn by observing others unless they “attend to, and accurately perceive, the relevant aspects of modelled activities” (Bandura, 1986, p. 51). It is the “attentional processes” that determine what is selectively observed and what information is extracted from the information flow (Bandura, 1997). It has been empirically demonstrated that judgments of self-efficacy depend on the amount of effort invested in a task. Feelings of success (capability) are attributed to higher levels of effort, whereas feelings of failure are attributed to lack of effort (Schunk, 2003). As we define attention as “increased mental effort” (Chaffee & Schleuder, 1986, p. 76) to understand and make use of economic information, we believe that higher levels of attention may have a positive effect on internal economic efficacy.

Second, we know from cognition theory that increased levels of attention foster “controlled” information processing that is “in-depth, detailed and analytic” (Gist & Mitchell, 1992, p. 191). In contrast, when little attention is paid, information processing is automatic, which implies mindless, unanalytical, or intuitive processing of information. As suggested by Gist and Mitchell (1992), forming an efficacy judgment requires an in-depth analysis of the challenge and the person’s own capabilities to handle the situation, which can only be obtained through controlled information processing. We therefore believe that controlled processing may increase internal efficacy because individuals will be better able to draw inferences from information they have processed carefully.

Although attention theoretically seems to be an important determinant of internal efficacy, the effects of attention on internal efficacy have only scarcely been linked. In a longitudinal panel study, Semetko and Valkenberg (1998) found that individuals who paid more attention to news also felt more internally efficacious. Apart from this study, other studies investigating media effects on internal efficacy have relied solely on exposure measures. Based on the arguments presented, we believe that news attention should be analyzed in addition to general assessments of news exposure when investigating the effects of negativity on internal economic efficacy. More concretely, we expected:

H2: Exposure to negative economic news would enhance attention to economic news.

H3: The effect of negative news exposure on changes in internal economic efficacy would be mediated by increased attention to economic news.

Conditionality of Economic Interest

Finally, we consider whether the effect of negativity on attention arousal (a-path) is moderated by economic interest. We know from previous research that interest has a positive impact on attention arousal (Strömbäck & Shehata, 2010). Graber (1998) found that interest in news made individuals pay attention to specific stories, whereas individuals with low interest failed to pay attention. Hence, individuals who are more interested in economic news would most likely pay more attention to economic news. This could also lead to the assumption that the effect of negativity on attention arousal (a-path)

may be conditioned by economic interest because individuals with higher interest in economic news may pay attention to economic news regardless of negativity. In this case, it would be more difficult for negativity to evoke attention among highly interested individuals because their attention is already evoked by their economic interest. This reasoning seems to be empirically supported. Young and Tisinger (2006) found that less interested individuals were more likely to increase attention to certain issues when they were exposed to soft news or more accessible news. Likewise, Jebril, de Vreese, van Dalen, and Albæk (2013) found that individuals who were less interested in politics were more affected by arousing news such as conflict and human-interest frames. Based on these findings, we expected:

H4: More interest in economic news would weaken the positive effect of negativity on attention.

Method

The study was based on a two-wave panel survey and a content analysis of Danish economic news. By combining survey and content analysis, it was possible to examine the relationship between individual exposure to negativity and internal economic efficacy. The case was chosen because research showed that the Danish news media also favor negative messages over positive and that this tendency has increased in recent years (Elmelund-Præstekær & Mølgaard Svensson, 2014). In addition, like other countries, Denmark was affected by the economic crisis of the 2000s. This existence of negative news coverage made Denmark a relevant case for studying the impact of negativity. Moreover, we did not have a priori expectations about why the relationships we were testing would not apply in other, similar cases.

Panel Survey

A two-wave online panel survey run by TNS Gallup, using a representative² sample of the Danish population was employed to assess individual media consumption, internal economic efficacy, attention to news, and economic interest, as well as control variables. Results are based on a net sample of 1,666 adult respondents who responded in both waves. The remaining respondents were excluded from the survey to efficiently measure individual-level change in economic efficacy. The response rate was 38% after Wave 1, and attrition rates were 68% after Wave 2. Wave 1 took place from February 19, 2013, until March 4, 2013, and Wave 2 took place from May 20, 2013, until June 2, 2013.

Measurements

The dependent variable *internal economic efficacy* was derived from conventional items measuring internal efficacy (items recommended by Neimi et al., 1991), and we adjusted these to fit into the economic arena by replacing references to "politics" with "economy" (a similar way of adjusting items was applied by Morrell, 2005). After adjustments, the items were (1) "I see myself as well qualified for participating in discussions about the economy," (2) "I think that I am better informed about the economy than others," and (3) "I feel that I have a good understanding of the country's economic problems."

² The percentages obtained in the survey correspond well to the percentages provided by Statistics Denmark for age, region, and education. More information may be provided on request.

Response categories ranged from 1 (*disagree a lot*) to 5 (*agree a lot*). These items were successfully combined into a scale (Cronbach's $\alpha = .86$, $M = 2.93$, $SD = 2.39$) and the unidimensionality of the items was supported by a factor analysis that extracted only one component. A similar scale was made for internal efficacy Wave 1 (Cronbach's $\alpha = .86$, $M = 2.86$, $SD = 2.45$).

The independent variable *news exposure* was measured with the item, "How many days, if any, do you use the following news media during a typical week?" (as previously done by Boomgaarden et al., 2011; Schuck, Boomgaarden, & de Vreese, 2013). This question was asked for eight of the most used Danish news media outlets: DR and TV2 (television); *Politiken*, *Berlingske*, *Jyllands-Posten*, and *Børsen* (broadsheet papers); and *Ekstra Bladet* and *BT* (tabloid papers) including their Web pages. Responses were given on an 8-point scale, indicating zero to seven days per week. For each respondent, individual exposure to each outlet was weighted according to the negativity in each media outlet (obtained from the content analysis; see the next section). In that way, respondents were assigned an average total score for how much negativity they were exposed to when consuming different media outlets (a procedure similar to that in Boomgaarden et al., 2011; Hopmann, Vliegenthart, de Vreese, & Albæk, 2010; Pedersen, 2012).

The mediating variable *attention to news* was measured by the question, "In news in general, to what extent do you pay attention to economic news?" The response categories ranged from 1 (*very inattentive*) to 5 (*very attentive*), similar to those used by Hollander (1995) and Strömbäck and Shehata (2010).

The moderating variable *interest in economic news* was measured by the item, "How interested or not are you in economic matters?" Answer categories ranged from 1 (*not interested at all*) to 5 (*very interested*).

Content Analysis

For the content analysis, we used a variety of the most prominent Danish news media outlets (same as mentioned earlier). Four students, all native Danish speakers, were extensively trained to perform the content analysis.³ The timespan covered by the content analysis was the period between Wave 1 and Wave 2 beginning with the first day after Wave 1 ended (March 5) and ending with the last day before Wave 2 began (May 19). A constructed weekday sampling strategy that accounted for systematic variation in content due to day of week was applied. Two economic articles/broadcast items were chosen from each week (every fourth day). The sampling was intensified with three additional articles per outlet for the two weeks leading up to Wave 2 (e.g., Vliegenthart, Schuck, Boomgaarden, & de Vreese, 2008) in the acknowledgment of possible "dominance of recency effects" (Lecheler & de Vreese, 2013), as found by previous studies. For the sampling of the articles, we used words⁴ that are common in

³ All four coders completed four months of intensive training sessions. Two meetings were held each month for which all coders coded five news items. All precoding was extensively discussed to reach agreement on future coding. A detailed codebook describing all coding rules was distributed to the coders. At the end of the four-month period, intercoder reliability tests were conducted to ensure the quality of the coding.

⁴ The words were *economy*, *deficit*, *debt*, *national debt*, *state budget*, *inflation*, *employment*, *unemployment*, *unemployed*, *salary*, *payment*, *investment*, *finance*, *stock market*, *C20* (stock market index), *stock exchange*, *tax*, *financial crisis*, *house prices*, *loans*, *economic growth*, *consumer*, *financial*

the economic news stories as search terms in the population of articles published in these newspapers and websites during this period.⁵ Twenty-six days were included in the sample, resulting in 364 news items: 280 articles were newspaper articles (137 printed and 143 online) and 84 were TV items (37 broadcasted and 47 online).

Negative news was operationalized as articles with a *negative tone* regarding the general economic climate.⁶ The question used for coders to identify tone was, "What is the evaluation of the general economic climate?" where general climate referred to macroeconomic stories concerning the national or international economies. For deciding tone of an article, coders relied primarily on heading and subheading. The tone of an article was coded as negative when only negative evaluations of the economy were present in either the heading or subheading. An example of an article with a negative tone was, "Every Fifth Danish Job in the Industry Will Disappear Within a Few Years" ("Hvert femte danske industrijob," 2013). If the tone of an article was absent from the heading or subheading or if the tone of the remaining article contradicted the heading and subheading, coders counted and compared the number of times a positive or a negative tone appeared in the article. If a negative tone outweighed a positive tone, the article was coded as negative or vice versa. Coders only included tone that was explicitly expressed in the articles. The journalist or any actor appearing in the article was allowed to evaluate the tone. No distinctions were made between factual and editorial content. An acceptable intercoder reliability result was obtained for the tone measure (Krippendorff's $\alpha = .72$).

Results

The content analysis revealed that the tone in the Danish economic news media during the studied period was overwhelmingly negative (see Figure 1). For all media outlets, we calculated a ratio score for tone by first subtracting the number of positive news from the number of negative news and then dividing by the total number of news stories. Hence, +1 represents a total negative tone, whereas -1 represents a total positive tone. The average tone ratio score of all of the outlets was 0.54. The most negative tone was found in the broadsheet paper *Politiken* (0.74) followed by another broadsheet paper *Jyllands-Posten* (0.66) and the public service broadcaster DR (0.66). The broadsheet paper *Berlingske* had the least negative tone of all outlets (0.18).

profits, exchange rate equivalent, income, deflation, GDP, GNP, imports, exports, trade balance, and consumer spending.

⁵ The population of articles was obtained by a computer-assisted content analysis using two electronic databases, Infomedia and BERTA. Infomedia is a database that archives all news articles from printed newspapers published by different media outlets. The specific search in Infomedia is conducted by using search criteria such as search words, date, and media outlet. BERTA is a new archive of all news articles published online by different media outlets. When different search criteria such as search words, date, and media outlet are entered, BERTA will, like Infomedia, show the population of articles fulfilling these criteria. All the broadcasted news items were requested on DVDs from the Danish State and University Library.

⁶ Individual tone was also included in an average tone measure (percentage agreement = 66.8).

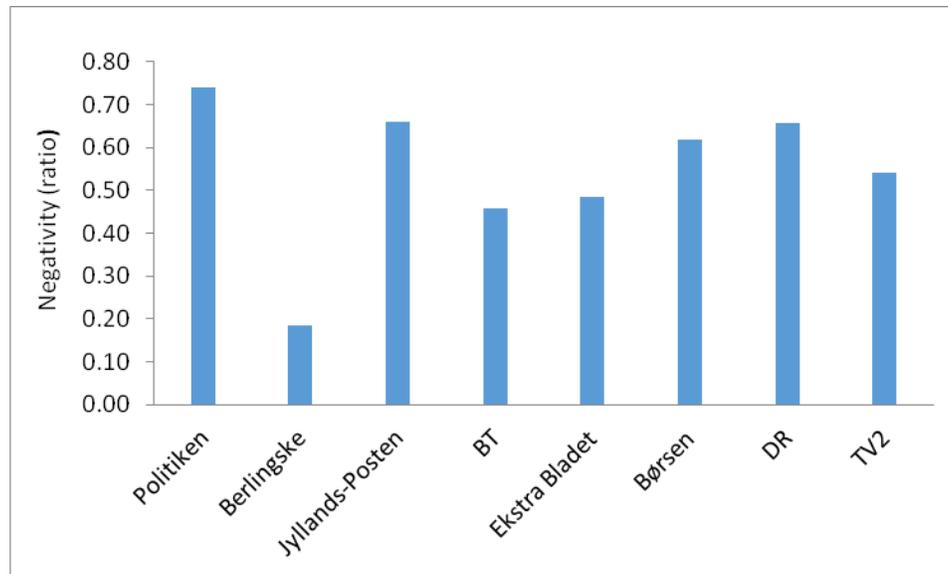


Figure 1. Negativity in Danish media outlets. N = 364; Politiken, n = 48; Berlingske, n = 49; Jyllands-Posten, n = 47; BT, n = 47; Ekstra Bladet, n = 42; Børsen, n = 47; DR, n = 42; TV2, n = 42.

Test of Simple Mediation

The aim was to examine what effect a negative tone had on changes in internal economic efficacy both directly and indirectly through news attention. At the aggregate level, there was a modest increase in the scores for internal economic efficacy Wave 1 ($M = 2.86$, $SD = 0.82$) and internal economic efficacy Wave 2 ($M = 2.93$, $SD = 0.80$). At the individual level, however, fluctuations occurred frequently; 304 (18.2%) of the 1,666 respondents scored lower on the internal economic efficacy scale in Wave 2 than in Wave 1; 280 (16.8%) respondents scored higher, whereas 1,082 respondents (64.9%) scored the same.

Table 1 shows that changes in internal economic efficacy were affected positively by economic news exposure, but only when negativity was weighted into the exposure measure. For the unweighted exposure measure, there was no direct effect on internal economic efficacy (Model 1), whereas a significant direct effect was found when negativity was weighted in (Model 2). When news attention was entered into the model, it was significant and the effect of negativity weakened and was no longer significant (Model 3). This could imply that news attention mediates the effect of negativity on internal economic efficacy (Model 2). The increasing R^2 value in Model 3 also shows that significantly more variation in internal economic efficacy was explained when news attention was taken into account, $F(8, 1666) = 32.89$, $p = .00$.

Table 1. Explaining Changes in Internal Economic Efficacy Wave 2.

Variable	Internal economic efficacy, Wave 2								
	Model 1 (unweighted by negativity)			Model 2 (weighted by negativity)			Model 3 (mediator included)		
	<i>B</i>	β	<i>SE</i>	<i>B</i>	β	<i>SE</i>	<i>B</i>	β	<i>SE</i>
Constant	.41***		.06	.41***		.06	.18*		.08
Internal efficacy, Wave 1	.72***	.72	.02	.72***	.72	.02	.70***	.69	.02
News exposure	.03	.02	.02	.06*	.03	.03	.04	.02	.03
Attention to news	-	-	-	-	-	-	.08***	.08	.02
Controls	(+)			(+)			(+)		
Adjusted <i>R</i> ²	.640			.640			.647		

Note. *N* = 1,666. Models 1 and 2 controlled for economic knowledge Wave 2, interpersonal communication Wave 2, and income Wave 2. Model 3 controlled additionally for attention Wave 1. If controls were not included, there was a main effect of the exposure variable in all models.

p* < .05; **p* < .001.

The indirect effect of news attention was tested for significance through bootstrap analysis following the recommendations of Hayes (2013) model 4 for simple mediation. Table 2 presents the results for Hypotheses 1–3. First, support was found for H1 as exposure to negative tone in the news was associated with positive changes in economic efficacy, *B* = .06, *t*(1659) = 2.045, *p* < .05. Support was also found for H2 as exposure to negative news increased attention to news, *B* = .17, *t*(1660) = 4.086, *p* < .00. Third, H3 was supported: Attention to news seemed to increase internal economic efficacy, *B* = .09, *t*(1659) = 5.180, *p* < .00, and the bootstrap analysis of indirect effects was also significant as the confidence intervals fell within the accepted area not including zero. As the direct effect (*c'*-path) was no longer significant, the relationship between negative tone and efficacy was mediated by attention to news. The positive coefficient of the indirect effect was consistent with the expectation that exposure to negative news would increase attention to news, which in turn would increase internal economic efficacy.

Table 2. Regression Results for Simple Mediation.

Effect	<i>B</i>	<i>SE</i>	<i>p</i>
Tone on efficacy (total effect)	.06	.03	.04
Tone on attention to news	.17	.04	.00
News attention on efficacy	.09	.02	.00
Tone on efficacy (direct effect)	.04	.03	.13
	Effect	<i>SE</i>	95% CI
Indirect effects (bootstrap 10,000)	.02	.01	[.0058, .0278]

Note. *N* = 1,666. Ordinary least squares regression coefficients. All models controlled for economic knowledge Wave 2, income Wave 2, attention to news Wave 1, and internal efficacy Wave 1. The indirect effect was significant when also including interpersonal communication. For the indirect effect test, we used 10,000 bootstrap resamples to obtain unbiased probability distributions (Hayes, 2013). If

interpersonal communication was additionally included as a control, the indirect effect remained significant, whereas the total effect was insignificant.

Conditionality of Economic Interest

We then tested whether the significant mediation effect was moderated by economic interest. As expressed by H4, the relationship between exposure to negativity and news attention may be weaker for individuals with high economic interest than for individuals with low economic interest. The upper part of Table 3 shows that the negative interaction term between negativity and economic interest was significant ($B = -.12, p > .01$). This implies that the effect of negativity exposure on attention arousal lowers when interest in economic news increases. Also, the significant positive effect of economic interest on attention ($B = .21, p > .00$) indicates that individuals with high economic interest pay more attention to economic news than individuals with lower interest. The lower part of Table 3, indicating the significance of the indirect effect at different values of the moderator, furthermore shows that individuals with high economic interest do not experience higher internal economic efficacy as a result of increased attention.

The precise region of significance for the indirect effects was $M \leq 4.52$ (identified by the Johnson–Neyman technique, indicated as $M \leq 4.73$ when values for a moderator were ± 1 *SD* from the mean). This indicates that attention to news was not affected by exposure to negative news among individuals with high economic interest. This conditional effect of negativity on attention is visualized in Figure 2, where the declining slope of the point estimate demonstrates that the effect of negativity on efficacy through news attention lowered as individuals were more interested in the economy.

Table 3. Conditional Indirect Effects of Tone on Efficacy.

Attention to news, Wave 2			
Predictor	<i>B</i>	<i>SE</i>	<i>t</i>
Constant	.83***	.24	3.46
Negative tone	.64***	.18	3.47
Attention, Wave 1	.33***	.03	12.13
Economic interest	.21***	.06	3.57
Tone* × Interest	-.12**	.04	-2.76
<i>R</i> ²	.29		
Conditional indirect effects at values of moderator			
Economic interest	<i>B</i>	<i>SE</i>	CI
3.136	.02	.01	[.0083, .0409]
3.933	.01	.01	[.0049, .0252]
4.730	.01	.01	[-.0050, .0164]

Note. $N = 1,666$. Outcome produced with PROCESS, Model 7 (Hayes, 2013). Controls included were economic knowledge Wave 2 (.043***), income Wave 2 (.012***), interpersonal communication Wave 2 (.041***), and attention to news Wave 1 (.010). $R^2 = .647$. ** $p < .01$; *** $p < .001$.

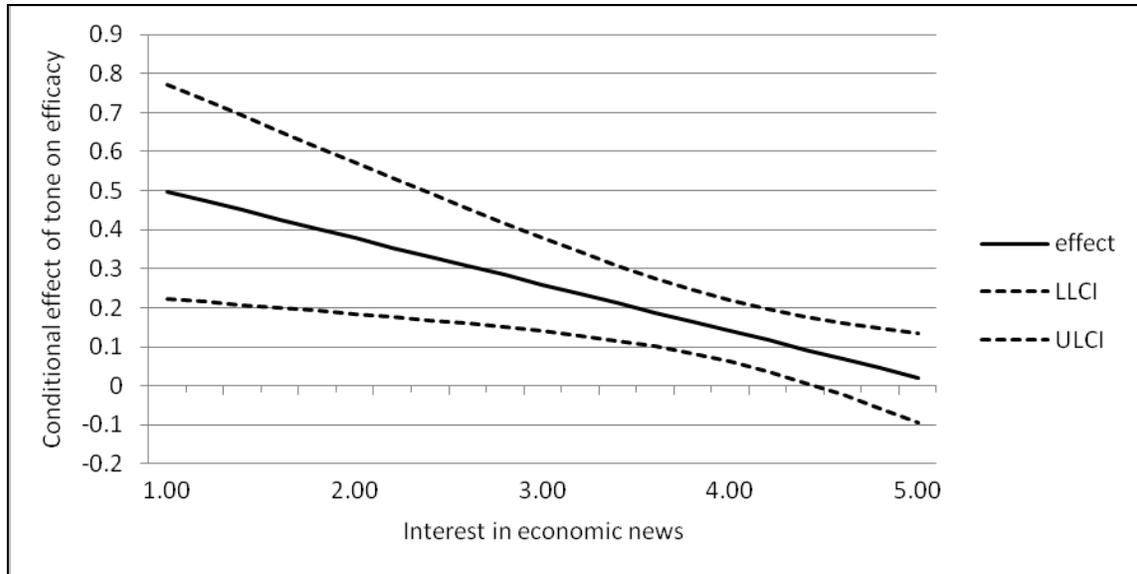


Figure 2. Conditional indirect effects of tone on efficacy at values of economic interest. N = 1,666; LLCI = lower limit confidence interval; ULCI = upper limit confidence interval.

Discussion

This study demonstrated that the focus on negativity, for which the news media are heavily criticized, may actually turn out to have some positive effects on some parts of the audience. We innovatively conceptualized internal efficacy in the realm of economics and found a positive relationship between exposure to negative economic news and internal economic efficacy: Negative economic news potentially makes audiences less confused about economic decisions and more capable of evaluating the economic performance of incumbent governments. A noteworthy twist in the findings is that not only negativity but also the recipient of the negative news seem to matter. In our study, individuals were not equally susceptible to the effects of negativity as negativity aroused more attention to economic news among individuals with low economic interest. This corresponds well with prior research showing that less interested individuals are more influenced by compelling news (Jebril et al., 2013). Thus, the findings oppose media malaise theories, which view the effects of news exposure as invariably negative. It appears that the news media fulfill some parts of their democratic duties (see Strömbäck, 2012) by providing audiences with the kind of information that gives them a sense of knowing about the economy. Covering economic news in a way that attracts the attention of audiences therefore seems the right way to go if the news should make audiences more economically efficacious.

One limitation of this study may be that the operationalization of negativity did not differentiate between emotionally negative assessments and objectively negative assessments of the economy (Soroka, 2014). Whereas some characteristics of negativity appeal to reason, other characteristics of

negativity may appeal to emotions in information processing. Both characteristics of negativity would be relevant to consider separately when it comes to processing negative economic news. Conover and Feldman (1986) empirically demonstrated that one should consider not only cognitive responses to the economy but also affective responses to the economy because including emotional responses makes better predictions of economic perceptions. This is also in line with affective intelligence theory suggesting that emotional responses to information are an important part of information processing. As negative information may cause affective responses in relation to the economy, it may also increase internal economic efficacy as individuals seem to process information more intensively when they are emotionally affected (see Brader, 2006).

What news audiences come to feel more efficacious about should also be considered. Given the negative economic coverage, feeling able to understand economic matters may leave audiences convinced that the economy is doing badly. In this case, a media malaise argument may apply to the findings, as the negative news may depress audiences and lead to negative economic perceptions. Despite these negative connotations, we still consider increased attention to economic news crucial for individuals to stay informed about economic matters and to be able to adapt to the ever-changing economic reality and its potential economic threats.

Overall, this study is a contribution to the scarce literature treating internal efficacy as a dynamic concept, and one that clearly also applies in the economic arena. Besides, the study is a very first step toward shedding light on the mechanisms driving the relationship between news exposure and internal economic efficacy. It suggests that there may be some good news in bad news, as negativity enhances news attention and makes individuals feel more efficacious. In that sense, negativity may help individuals make economic choices, which is essential in all aspects of human life. The results also showed that moving beyond news exposure measured in terms of simple frequency to also take content into account is beneficial in terms of getting a better impression of how news exposure affects internal economic efficacy and who it affects, something that may spark future research on the topic.

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