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The economy. How do the media cover it and what are the effects? A literature review

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Abstract

This article provides an overview of key findings in the field of economic news research. The focus is on the relationship between the real economy and economic news, and the subsequent effects of economic news on people's economic perceptions. Additionally, we discuss research that looks into the construction of economic and financial news. Recommendations for future research relate to the application of mixed methods approaches and individual level studies, and a specific focus on new (social) media.

1 | INTRODUCTION

It is a phenomenon as ubiquitous as it is elusive: the economy. When asked, most people have an idea—by and large—of how the national economy is doing. Some have personally experienced certain economic advancements or setbacks or know, for example, people who recently found or lost a job. However, more than by such first- or second-hand experiences, people learn about the state of the economy by reading and watching the news. Economic news stories shape people's economic perceptions, which, in turn, have profound impacts on a range of other attitudes and behaviors, and sometimes even again on the economy itself.

The interrelationships between economic news, economic perceptions, economic conditions, and other (political) attitudes and behaviors have been the focus of research for decades. Besides the work on the *effects* of economic news, there is a vast body of research that focuses on the *content* of economic news, showing how economic news is characterized by a set of specific features. A strand of mostly qualitative research has focused on the process of economic news *production*, in which different actors with different views on the economy and its management compete for limited media space in an ongoing power struggle.

From a societal perspective, it is imperative to study economic news—both its content and its effects—because it has such a strong bearing on the daily lives of citizens. Whether news reports deal with unemployment rates, with inflation, or with bailout programs for bankrupt Eurozone member states, people are sensitive to the message and tone of the content, especially when the news is negative. Moreover, the impact of economic news on people's economic perceptions has subsequent consequences for a range of political behaviors, such as party preference (e.g., Kalogeropoulos, Albæk, De Vreese, & Van Dalen, 2016; Lewis-Beck & Stegmaier, 2000; Nadeau, Niemi, Fan, & Amato, 1999; Sanders, 2000).

From an academic perspective, economic news comes with unique features rendering it an interesting topic to study media effects. The availability of standardized economic data is high, facilitating comparisons between real-life trends and economic news in different contexts, often a more complicated endeavor in other areas such as crime, foreign affairs, or the environment. As Soroka (2014, p. 83) puts it: "It allows us to explore the difference between the distribution of information in reality and the distribution of information in news content." This is not to say that economic news is neutral or unidimensional, for a variety of reasons it is not. But news reports about decreasing or increasing unemployment rates, or a growing or shrinking economy, do lend themselves to be compared with over-time trends in the actual measurements, allowing to assess real-world reflectiveness of certain news content. This article provides an overview of the key findings in the field, shedding light on what we know about economic news, and what is still to be learned.

2 | THE ANTECEDENTS OF ECONOMIC NEWS

2.1 | Real economy and economic news coverage

In the mid-1970s, one of the first studies comparing the real economy to the content of economic news stated: "The model of the economic story, especially as told on television, is the soap opera" (Stein, 1975, p. 40). Despite the inherent complexity of the economy as a phenomenon, the media show a persistent tendency to simplify and to excessively dramatize. The consequences of this reporting are, as economist Herbert Stein argues, "hard to evaluate, because we do not know to what extent public opinion is formed by the media" (Stein, 1975, p. 41). More than 40 years later, Stein's first observation has not lost the slightest relevance: The economy is still complex, arguably much more complex today than it was in the 1970s, and economic news is still characterized by several persistent biases. But in contrast to Stein's second observation, we now have some ideas about the consequences of economic news due to decades of research, on which we reflect below.

The tendency among journalists to dramatize the state of the economy is confirmed by many empirical studies. The 1992 US Presidential elections have been a catalyst for research into the content of economic news, since these have made clear how economic news rather than real economic circumstances have the capacity to shape electoral outcomes. In the US, Goidel and Langley (1995) are among the first to systematically investigate the responsiveness of economic news to real economic conditions, concluding that the media have "plenty of latitude in deciding what economic news is important, and this latitude is exercised by focusing disproportionately on bad economic news" (Goidel & Langley, 1995, p. 320). This observed *negativity bias*—the tendency to systematically devote more attention to negative as compared to positive economic trends—is not a stand-alone finding but reflects a rather generalizable pattern in economic news reporting.

Scholars find negativity biases in macroeconomic news reporting (Damstra & Boukes, 2018; Fogarty, 2005; Hagen, 2005; Hester & Gibson, 2003; Ju, 2008; Soroka, 2006, 2014; Soroka, Stecula, & Wlezién, 2015; Van Dalen, De Vreese, & Albæk, 2015; Wattenberg, 1985) and news about unemployment rates (Soroka, 2012). Although most research focuses on print media, television broadcasts are also found to foster a preference for bad news when reporting about macroeconomic developments (Hester & Gibson, 2003) or about economic subthemes such as inflation and unemployment rates (Harrington, 1989). An area still understudied is how economic news is reported on social media. In a recent exploratory study, Soroka, Daku, Hiaeshutter-Rice, Guggenheim, and Pasek (2017) find that the tone of Twitter posts is more responsive to positive economic shifts, in contrast to traditional outlets.

An exceptional finding is provided by Casey and Owen (2013), who investigate the antecedents of economic news in the US (1983–2008) and who do not find a structural (negativity) bias. Similarly, in the context of the financial crisis, Schifferes and Coulter (2013) conclude that the BBC news website provided a rather balanced output in terms of positive and negative coverage. Notwithstanding these exceptions, research repeatedly suggests a rather

robust tendency in economic journalism to overemphasize negative trends, which might lead to a distorted information environment for citizens, at least in modern Western democracies.

In terms of newsworthiness, not all types of economic developments are considered equally important. Several studies point to a remarkable sensitivity among journalists towards shifts in unemployment rates (Fogarty, 2005; Goidel & Langley, 1995). Fogarty (2005) finds that changes in unemployment rates lead to more economic news, while changes in inflation rates or ICI (index of coincident indicators) do not lead to more coverage. Arguably, this may be explained by the abstractness of the latter issues. Additionally, Soroka et al. (2015) investigate whether news content is most reflective of past, current, or future economic trends. While often perceived as a function of current economic conditions, the authors find that economic news is actually more reflective of future conditions: "It responds more to where the economy is going, not where it has been or where it currently is" (Soroka et al., 2015, p. 467).

2.2 | Specifying the measurements

The idea of mass media producing content that is systematically more negative than economic reality gives reason to be based on two types of findings: (1) a bad economy leads to *more* economic news, and (2) a bad economy leads to *more negative* economic news while a good or improving economy does not lead to more positive coverage. While some studies take either volume or tone as their main dependent variable (e.g., Goidel & Langley, 1995), most recent research looks at both (e.g., Fogarty, 2005; Lamla & Lein, 2014; Soroka, 2012, 2014; Soroka et al., 2015; Van Dalen et al., 2015). Volume is most often operationalized straightforwardly as the number or share of economic news items per time unit (print or television), while tone captures the general sentiment of an economic news item (i.e., valence: positive or negative). In some cases, volume and tone are captured simultaneously in a single measurement, such as the number of recession headlines in the *New York Times* (e.g., Wu, Stevenson, Chen, & Güner, 2002).

On the side of the real economy, as explanatory variable in such analyses, it is increasingly common to distinguish between levels (e.g., absolute unemployment rate) and changes (e.g., the development—up or downwards—of the unemployment rate). Stimson (1991) is among the first to stress that journalists are particularly responsive to change: "Journalists pursue 'news' as a criterion of relevance. Change is news. Stability isn't." (Stimson, 1991: xxiii). Following this line of thought, Nadeau et al. (1999) argue that journalists respond to *shifts* in objective economic indicators, rather than to levels, which is empirically confirmed by their data. Just like novelty, change is a defining feature of newsworthiness; for that reason, changes in the real-world economy are more likely to be selected as news (Galtung & Ruge, 1965; Soroka et al., 2015).

Following news values theory, it can be anticipated that negative change (i.e., economic downturn) is particularly newsworthy to journalists, since it combines two classic news values: novelty and negativity. This is empirically confirmed by recent research finding positive effects of economic decline on the volume of economic news (Damstra & Boukes, 2018; Van Dalen, De Vreese, & Albæk, 2016) while positive economic developments in terms of recovery or growth do *not* trigger journalists to write more about the economy. A similar asymmetry is found for the tone of news; negative economic trends lead to more negative coverage, while the opposite effect of an improving economy fails to happen (Damstra & Boukes, 2018; Fogarty, 2005; Goidel & Langley, 1995; Soroka, 2006; Van Dalen et al., 2015).

2.3 | Explaining the negativity bias

In explaining the prevalence of negative news stories, many scholars point to the role of the media as "fourth estate." Traditionally, journalists are argued to fulfill a watchdog function in modern democracies; they scrutinize and control governmental powers, rendering it responsive and responsible (Kantola, 2007; Whitten-Woodring, 2009), a function that can also be deployed to control business actors (Kalogeropoulos, Svensson, Van Dalen, De Vreese, & Albæk, 2014). From this perspective, it is only logical that negative trends receive more attention than positive

developments: To wake up the citizenry, journalists should ring the “burglar alarm” when the economy moves in the wrong direction, so people can defend their interests in future elections (Zaller, 2003).

Research, however, shows that economic and financial journalists hold divergent views when it comes to this role (Strauß, 2018; Tambini, 2010; Usher, 2012). Tambini (2010) finds that only a small minority of UK financial journalists actually perceives themselves as watchdogs. Usher (2012) identifies two lines of reasoning (or “defense” as she puts it) as brought forward by *New York Times* journalists who she interviewed. First, journalists primarily identify with a “transmission” role: It is their task to provide accurate information, but it is up to the public to respond adequately (Usher, 2012, p. 203). Second, journalists are hampered to perform as watchdogs because they do not have enough access to necessary information. These arguments are in line with a recent study by Strauß (2018) who points to a discrepancy between the watchdog role that journalists envision for themselves and their actual role enactment. These findings touch upon a core challenge posed to economic journalists. The complex economic-financial reality combined with increasing institutional pressures makes investigative journalism a costly and risky endeavor, while it is precisely through investigations and critical in-depth news reporting that the watchdog role can be fulfilled adequately.

News values theory provides another explanation for the prevalence of negative news. References to something negative make a story more likely to be selected by journalists (e.g., Galtung & Ruge, 1965; Harcup and O'Neill, 2001) because bad news tends to be consensual and unambiguous as well as unexpected, presupposing “a culture in which progress is somehow regarded as the normal and trivial thing that can pass unreported” (Galtung & Ruge, 1965, pp. 69–70). Together, these features make negative phenomena more likely to be selected as news.

In addition, work on behavioral economics has shown how people are more responsive to negative compared to positive information (e.g., Holbrook, Krosnick, Visser, Gardner, & Cacioppo, 2001; Soroka, 2006): They are loss averse. The psychological process behind this asymmetry is described as the negativity effect: The greater weight assigned to negative as compared to equally positive information in the formation of judgments (Ahluwalia, 2002; Tversky & Kahneman, 1973, 1974). As journalists are individuals too, their own (asymmetric) interests combined with the (asymmetric) interests of their news-consuming audience might lead them to perceive negative information as more important (Soroka, 2006, p. 374).

2.4 | External factors

A number of external factors is identified that influence the relationship between the real economy and economic news. First, on the level of the media organization, scholars point to endorsement policies by outlets as a possible moderator of news selection processes. In the US, where many media outlets have a clear political leaning, democratic media are found to stress negative economic conditions (e.g., high unemployment rates) more strongly when the incumbent is a Republican (Larcinese, Puglisi, & Snyder, 2011). In the European context, evidence suggests a similar effect of ideological orientation on the interpretation of economic news by journalists (Salgado & Nienstedt, 2016). Also, the type of outlet could play a role: Popular (e.g., tabloids) and regional media outlets seem to emphasize negative economic news more than quality and specialized media (Boukes & Vliegenthart, 2017).

Second, economic conditions might be of influence. Wu et al. (2002), for example, find that news is least reflective of the real economy during recessionary periods (1987–1990), when the prevalence of negative information exceeds the (already gloomy) economic conditions. In fact, “the mass media reflected more of the public's perception about the economic situation and less of the economic reality” itself (Wu et al., 2002, p. 30).

Finally, building on the idea of a limited carrying capacity by the media (Hilgartner & Bosk, 1988), Fogarty (2005) looks at whether the presence of rival stories changes the relationship between the economy and coverage. He finds that news reports dealing with the first Gulf War or with US fighting in Somalia indeed tend to suppress the amount of economic news coverage, making the correlation between the real economy and economic news weaker (see also Reese, Daly, & Hardy, 1987). In contrast, election campaigns serve as an *amplifier* of economic news, strengthening the bond with the real economy (Fogarty, 2005).

2.5 | Structural constraints

Quantitative research offers important insights into the structural biases distinguishing economic news from economic reality. Qualitative research, additionally, lays bare the mechanisms of economic and financial news production, critically assessing the factors at play that determine which issues receive attention in the first place, and how these issues are covered in terms of framing.

Media content is not neutral. In fact, it is a social construct and, therefore, often ideologically colored. The vast majority of the economic/financial press tends to support the neoliberal status quo, thereby failing to offer a wider range of other perspectives to the public, most notably perspectives that critically challenge existing capitalistic structures (e.g., Berry, 2012, Berry, 2015, Berry, 2016; Chakravarty & Schiller, 2011; Damstra & Vliegthart, 2016; Davis, 2006, Davis, 2011; Doyle, 2006; Durham, 2007; Duval, 2005; Jensen, 1987; Marron, Sarabia-Panol, Sison, Rao, & Niekamp, 2010; Philo, 1995; Philo, Miller, & Happer, 2015; Tambini, 2010; Tracy, 2012). In general, a certain bias in the selection of news stories is inextricably linked to news production processes: (National) cultures, organizational structures, ideological outlet profiles, and differential power of political and societal actors, as well as the choices by individual journalists—all have an impact on the construction of news content (Vliegthart & Van Zoonen, 2011). As a result, news tends to be characterized by negativity, conflict framing, and an overrepresentation of the views of those having political power (Bennett, 1990). However, the specific nature of economic news leads to an additional, more issue-related bias: Journalists are guided by certain considerations regarding the “utility and levels of financial literacy” among their target audience (Doyle, 2006, p. 436). In other words, the high complexity of the economic and financial world requires that journalists tailor their stories to their readership in terms of comprehensibility.

As a result, two types of financial journalism have emerged over the years: (a) specialist financial journalism serving a selective audience of financial professionals and (b) generalist financial journalism that focuses on informing the broader public (Schiffes, 2011). For mainstream, nonfinancial media, this implies that economic news needs to be easy to grasp and entertaining (Clark, Thrift, & Tickell, 2004; Guerrero, 2009), which results in an overrepresentation of superficial news about well-known companies and big money deals (Doyle, 2006; Tambini, 2010; Tumber, 1993), at the expense of more critical, in-depth analyses key to investigative journalism. Additionally, with financial markets becoming increasingly complex, journalists themselves are often lacking the specialized knowledge to critically assess financial products and practices (Davis, 2006; Doyle, 2006; Guerrero, 2009; Marron et al., 2010; Schiffes, 2011; Schiffrin, 2015; Tambini, 2010; Tett, 2009; Usher, 2012).

Due to this increasing complexity, economic/financial journalists are often in a position of high source dependency. As Tambini (2010, p. 159) puts it, “interested parties [...] sometimes constitute the only repositories of relevant data and (they) employ the main experts.” Therefore, journalists—themselves lacking both expertise and access—need to rely on these elite sources, which generally do not bring forward radical critical perspectives. As a result, stakeholders—through their PR services—are able to control information. This elite source dependency is empirically confirmed by many studies (Berry, 2015, 2016; Davis, 2000; Fahy, O'Brien, & Poti, 2010; Galbraith, 2004, 2009; Kollmeyer, 2004; Manning, 2013; Rafter, 2014; Reich, 2012; Strauß, 2018; Tambini, 2010; Thompson, 2013; Tracy, 2012) and comes at the expense of the use of, for example, union leaders or workers as primary sources (Kollmeyer, 2004). Also compared with other types of news reporting—political, territorial—economic journalists use least diverse sources (Reich, 2012).

Furthermore, the close ties connecting (financial) journalists to (financial) experts carries the risk of the former being “captured” by the system of the latter. This can be illustrated by, for example, financial outlets receiving huge advertising revenues from credit card companies (Davies, 2009; Davis, 2002, 2011; Kollmeyer, 2004; Marron et al., 2010; Schechter, 2009; Tambini, 2010) or financial reporters “crossing the aisle” and start working for financial corporations (Schechter, 2009). This close interconnectedness is argued to (partly) account for the fact that the news media were caught by surprise when the 2008 financial crisis broke out and left many wondering why (almost) nobody had seen it coming, including highly esteemed financial media (Berry, 2012; Fraser, 2009; Guerrero, 2009; Fahy et al., 2010; Lashmar, 2008; Marron et al., 2010; Mercille, 2013; Schechter, 2009; Schiffes, 2011, 2012; Tambini, 2010; Tracy, 2012).

Furthermore, institutional pressures reinforce the tendency by the media to report in a way that is compatible with dominant perspectives as put forward by (economic and political) elites. Media outlets themselves are commercially driven enterprises as well (e.g., Davis, 2000; Doyle, 2006; Guerrero, 2009; Hamilton, 2009; Happer, 2017; Knowles, Phillips, & Lidberg, 2017; Philo et al., 2015; Schechter, 2009). The professional environment in which journalists operate has become increasingly competitive, due to institutional pressures related to declining readerships, insecure advertisement revenues, increased output demands, and the rise of free online data services. This has resulted in a branch with high degrees of compartmentalization (Schifferees, 2011; Tett, 2009), in which “expensive and risky ventures such as investigations are increasingly difficult to fund” (Tambini, 2010, p. 169).

The financial crisis (2008–2009) has served as a fruitful test case for the analysis of existing biases in financial and economic news reporting. Often departing from the question why the media did not see it coming (e.g., Fraser, 2009; Lashmar, 2008; Starkman, 2009), scholars scrutinized the way in which the crisis was covered (Arrese & Vara-Miguel, 2016; Berry, 2012; Damstra & Vliegenthart, 2016; Happer, 2017; Pirie, 2012; Schifferees & Knowles, 2014) in multiple contexts. It is concluded that media covered the crisis rather uncritically, depriving the audience from a diverse array of possible solutions to it (Arrese & Vara-Miguel, 2016; Berry, 2012; Happer, 2017; Mercille, 2013; Pirie, 2012). The fact that even the most encompassing crisis of our times did not evoke more radical and critical responses underscores the dominance of the neoliberal paradigm in economic news reporting (Happer, 2017) and the difficulty for journalists to forge new ways to analyze outside the prevalent market-driven consensus (Arrese & Vara-Miguel, 2016, p. 150).

3 | THE EFFECTS OF ECONOMIC NEWS

3.1 | Media effects on consumer confidence

Exposure to economic news positively affects people's knowledge of this topic, especially for those citizens with few –negative–real-life economic experiences and those who have no alternative sources of information such as interpersonal communication (Kalogeropoulos, Albæk, De Vreese, & Van Dalen, 2015). An extensive base of empirical research shows how economic news is key to citizens' perceptions of the economy (e.g., Behr & Iyengar, 1985; Blood & Phillips, 1997; Damstra & Boukes, 2018; De Boef & Kellstedt, 2004; Doms & Morin, 2004; Goidel, Procopio, Terrell, & Wu, 2010; Hetherington, 1996; Soroka, 2014; Soroka et al., 2015; Van Dalen et al., 2016; Wu et al., 2002), while a small subset of studies report no or minimal effects (e.g., Haller & Norpoth, 1997; Hopkins, Kim, & Kim, 2017; Lischka, 2016; Wu, McCracken, & Saito, 2004).

The relevance of economic news has repeatedly been demonstrated by its impact on consumer confidence. As a measure that combines people's evaluations of their own financial situation with their assessments of the national economy, consumer confidence captures economic sentiment in a rather complete way. A landmark study in this domain is provided by Blood and Phillips (1995), who are among the first to systematically investigate this relationship while controlling for the impact of the real economy. They found that the number of recession headlines in the *New York Times* has a significant and negative effect on consumer confidence. In a follow-up study (Blood & Phillips, 1997), the same effect is found for general (negative) economic news in the same newspaper. Results are confirmed by Doms and Morin (2004) who take 30 newspapers into account and apply their model to data covering 25 years (1978–2003). Other studies find similar economic news effects, within and outside the US context (e.g., Alesm, Brakman, Hoogduin, & Kuper, 2008; Goidel & Langley, 1995; Hollanders & Vliegenthart, 2011; Wu et al., 2002).

Research in which good and bad economic news is distinguished demonstrates that the public responds asymmetrically to these messages. The negative effect of negative economic news is not accompanied by an equally strong positive effect of positive economic news. Similar to the sensitivity among journalists to bad economic conditions, the public is most responsive to negative economic information (e.g., Damstra & Boukes, 2018; Hester & Gibson, 2003; Soroka, 2006). Negative news leads to more pessimism, while positive news does not cause the same degree of

optimism among the public. However, negative news also leads to higher levels of internal economic efficacy, as Svensson, Albæk, Van Dalen, and De Vreese (2017b) show. Negativity may trigger people's motivation to understand and to use information to deal with possible threats.

In most measures, consumer confidence contains items asking people to judge the past and future state of their national economy. More specifically, it asks whether they think the economy has or will deteriorate(d) or improve(d). Specifying confidence on this time dimension yields additional, but also mixed insights into economic news effects. Damstra and Boukes (2018) find that economic news matters for people's future judgments but not for their evaluations over the economic past. By contrast, Soroka (2014) and Soroka et al. (2015) find media effects on people's prospective but also retrospective judgments.

3.2 | Media effects on the economy

The "media malady hypothesis" posits that economic news might also have an impact on the economy itself. This idea, famously coined in 1990 by *The Washington Post* ("Is the economy suffering from media malady?"), entails that by paying attention to the possibility of a recession, the media might actually help to create one. There is some empirical evidence supporting this hypothesis. Blood and Phillips (1997) report long-term effects that they describe as "uniformly and persistently" (but that were absent in their 1995 study). Wu et al. (2002) conclude that the amount of recession-related coverage in the *New York Times* influences real economic changes, at least in times when economic conditions are bad. Huxford (2012) finds that UK and US journalists, by writing about the possibility of a recession—even in times of economic growth—make the occurrence of an actual recession more likely. More recently, research on (policy) uncertainty in economic news indicates consequences for stock market volatility and trends in policy-sensitive areas (Baker, Bloom, & Davis, 2016).

Financial journalism, similarly, might affect stock market movements, which provides another illustration of the close interrelationship between financial journalists and financial professionals described above. Davis (2006) shows how elite actors in the financial markets rely on economic news to make their decisions. This is in line with aggregate level studies that examine the reflexive nature of stock markets, finding structural effects of (social) media coverage (e.g., Boudoukh, Feldman, Kogan, & Richardson, 2013; Casarin & Squazzoni, 2013; Groß-Klußmann & Hautsch, 2011; Kleinnijenhuis, Schultz, Oegema, & van Atteveld, 2013; Strauß, Vliegenthart, & Verhoeven, 2017).

3.3 | Explaining economic news effects

The agenda-setting literature provides the most dominant explanation for economic news effects; by emphasizing certain issues over others, the media are able to influence public opinion (McCombs & Shaw, 1972). The impact of mediated messages gets stronger when the obtrusiveness of an issue is lower (Iyengar, Peters, & Kinder, 1982; Tan & Weaver, 2007). First coined by Zucker (1978), obtrusiveness can be defined as the amount of personal experience someone has with an issue (Winter, 1981). When people have none or minimal first-hand experience, the agenda-setting effect is strongest. Applied to the issue of the economy, Blood and Phillips (1997, p. 101) write:

Economic issues that audiences experience directly and dramatically, such as unemployment or recession may leave less room for media effects (...). The general state of the nation's economic health may be a less obtrusive issue, leaving editors with the opportunity (...) to raise concern when the public does not anticipate or feel directly the effects of economic downturn.

Haller and Norpoth (1997, p. 573) use a similar approach when explaining the *absence* of media effects. They consider the economy "a classic doorstep issue, capable of shaping public opinion through real-world experience," leaving less room for media effects.

In contrast to the idea of stronger news effects in situations of low issue obtrusiveness, some studies indicate that economic news effects are strongest in times of crisis, because detrimental economic conditions increase

people's willingness to update their economic expectations (e.g., Carroll, 2003; Doms & Morin, 2004). Under "normal" prosperous circumstances, economic expectations tend to be *sticky*: People have no incentive to regularly absorb economic information and their expectations, therefore, tend to remain rather stable over time. However, in times of crisis, people tend to update their information more frequently because (a) it is more likely to (accidentally) come across economic news due to higher volumes; and (b) consumers are more willing to read or watch economic news items. In particular, dramatically negative headlines ("Recession possible!") might be deemed relevant by the public, because these suggest that the provided information is directly related to their own financial future (Doms & Morin, 2004; McCarthy & Dolfsma, 2014).

The hypothesis of stronger media effects in bad economic times is supported by several studies. Doms and Morin (2004) find that consumer sentiment is most susceptible to media effects when coverage is high, which is in times of economic distress. Similarly, Wu et al. (2002) conclude that media effects are strongest in times of downturn, suggesting that people pay greater attention to economic news when the issue is most relevant to them. Goidel and Langley (1995, p. 326) find most pronounced media effects when economic signals are mixed, and, subsequently, subject to a variety of interpretations (which was the case during the US 1992 Elections). In contrast, Damstra and Boukes (2018) do not find any differences in media effects for periods of economic growth versus decline.

Media dependency theory (MDT) provides another theoretical angle to understand the conditionality of media effects. Originally proposed by Ball-Rokeach and DeFleur (1976), MDT predicts that the impact of news is contingent upon the level of audience dependency on media information resources: The higher this dependency, the greater the likelihood that media information will influence citizens' cognitions, feelings, or behaviors. People might be more dependent upon mediatized information when they have less real-life clues or experiences to build their judgments on. Therefore, media effects are stronger for people's sociotropic evaluations (judgments of the national economy) compared to evaluations of their own economic situation (Boomgaarden, Van Spanje, Vliegthart, & De Vreese, 2011). Kalogeropoulos (2017) shows that personal economic expectations are not influenced by economic news in general, but only by more dramatic (i.e., tabloid) stories dealing with unemployment specifically. Similarly, economic news is expected to have a bigger impact on people's expectations for the future than for their evaluations over the past (Damstra & Boukes, 2018).

Also, higher levels of uncertainty make people more dependent on mediated information. Uncertainty can be conceptualized as a subjective experience shaped by external circumstances, such as a crisis; however, uncertainty can also be part of mediated information itself. A recent study by Van Dalen et al. (2016) looks into the impact of uncertainty when this is explicitly mentioned in economic news articles, and finds a negative effect on consumer confidence, above and beyond the impact of tone. Svensson, Albæk, Van Dalen, and De Vreese (2017a) investigate the impact of ambiguous economic news and identify economic uncertainty as the mediator through which consumer confidence is affected.

3.4 | Reversed causality?

Adding to the complexity of the relational framework, some studies suggest the possibility of reversed causality: Public economic sentiments could potentially affect subsequent media coverage (e.g., Soroka et al., 2015; Stevenson, Gonzenbach, & David, 1991; Wu et al., 2002). As Soroka et al. (2015) suggest, news reporting is partly a consumer-driven process, which might come with the incentive to reflect public concerns. The idea that public economic pessimism causes more negative coverage is empirically confirmed by Soroka et al. (2015) as well as Wu et al. (2002), although the latter finds the effect only to hold during recessionary times.

3.5 | Where to go from here?

Studying economic news, its antecedents and its effects, is key to our understanding of journalistic routines and the formation of economic perceptions. To further develop our knowledge, several avenues for further research seem

promising. First of all, quantitative research studying the triangle of the economy, economic news, and economic perceptions needs to be integrated with research critically examining the construction of economic news. Some contradictory findings coexist that call for further examination: Whereas the former tradition points to a preoccupation with negativity among economic journalists, the latter identifies the absence of critical perspectives. One explanation for this apparent contradiction might be related to the tendency among journalists to focus on the short term (Fraser, 2009, p. 80). The negativity bias among journalists, in that sense, might only imply writing more about unemployment when it goes up compared to when it goes down. However, being critical in the short term, without reflecting upon and questioning the overarching system, eventually leads to economic news reporting in which negative trends receive only more superficial—and therefore uncritical—coverage.

Second, more individual-level research is needed. Especially when it comes to the conditionality of economic news effects, experimental research would help to understand which aspects of (negative) economic news provoke the strongest effects, which citizens are most susceptible to these effects, and through which mediating mechanisms these effects occur.

Finally, the overwhelming majority of studies rely on traditional conceptualizations of news media, with print media being the absolute favorite. There is only limited research into differences across traditional media outlets (Goidel et al., 2010). While these outlets are still highly relevant, recent research suggests that the content of online economic news or on (social) media might be systematically different (see, for example, Schifferes & Coulter, 2013; Soroka et al., 2017) and might have different effects as well. Further exploring this avenue is crucial to enhance our understanding of the social world around us that is shaped by real economic conditions, by economic coverage in an ever-changing media environment and by people's economic perceptions.

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