PROJECT FOR EXCELLENCE IN JOURNALISM

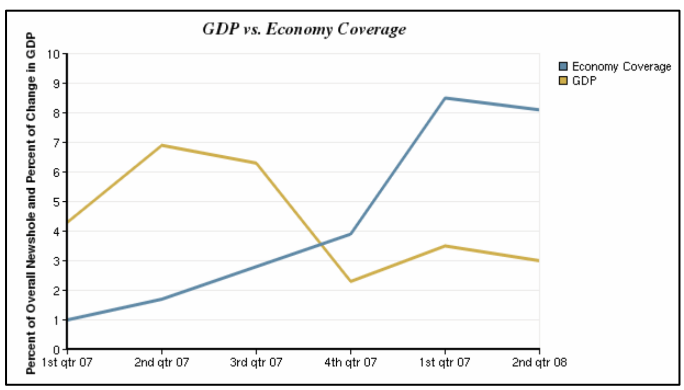
THE CHANGING NARRATIVE:
How the News Media Have Covered the Slowing Economy

The media's coverage of the troubled economy has shifted repeatedly in the last year from a narrative about mortgages to one about recession, a banking crisis and now largely gas prices—a changing storyline and one that differs from medium to medium.

Moreover, the connection between media coverage and economic events has often been uneven. Sometimes, coverage has lagged months behind economic activity, when the storyline was dependent on government data. Other times, coverage has tracked events erratically, as with housing and inflation. But when the story is easier to tell, as in the case of gas prices, coverage has been closely tied to what is actually occurring in the marketplace.

These are some of the findings of a new detailed examination of how the American news media have covered the economic slowdown over the last two years, produced by the Pew Research Center's Project for Excellence in Journalism.

The economy has been a bigger story in older media—print, the three network evening newscasts and traditional news radio—and a noticeably smaller one in the newer—the more opinion-oriented platforms of cable TV and talk radio.



The relationship between media coverage and public concerns about the economy is a complex one. Going back to late 2007, Americans' attention to the issue generally outstripped the level of media interest. While the public considers the economy its No. 1 concern, for instance, the media have been far more interested in the presidential campaign—by a factor of nearly 5-to-1 between January 2007 and June 2008. But it's also true that public attention to the story and pessimism about the state of the economy both grew as the media began to pay more attention in 2008.

The PEJ study is based on an analysis of more than 5,000 economic stories from January 1, 2007, through June 30, 2008, drawn from approximately 1,955 hours of programming on the three major cable news channels, 1369 on network morning and evening TV, 978 on radio, and 469 days' editions of 21 different newspapers, and the five leading news websites, some 48 different news outlets in all.

Among the studies findings:

- Overall, the economy has been the No. 2 story so far in 2008 in the U.S. media, moving ahead of the Iraq war. But coverage has not come close to that of presidential campaign. For the first six months of this year, the various storylines that make up the story of the economy, including rising energy costs, have filled 8% of the newshole studied by PEJ. The next biggest story was events inside Iraq at 3%. The race for president, by contrast, has filled 37% of the newshole.

- Often the press coverage has lagged behind economic events, sometimes by months. In the first quarter of 2008, for instance, media attention to a possible recession began to spike, though in reality the economy was strengthening some, because economists were arguing about data from the last quarter of 2007. Then, as the economy began to weaken again in the second quarter, the media narrative shifted away from concerns about an economic slowdown. The only change in the economy that reliably predicts more press coverage in the last year has been rising gas prices.

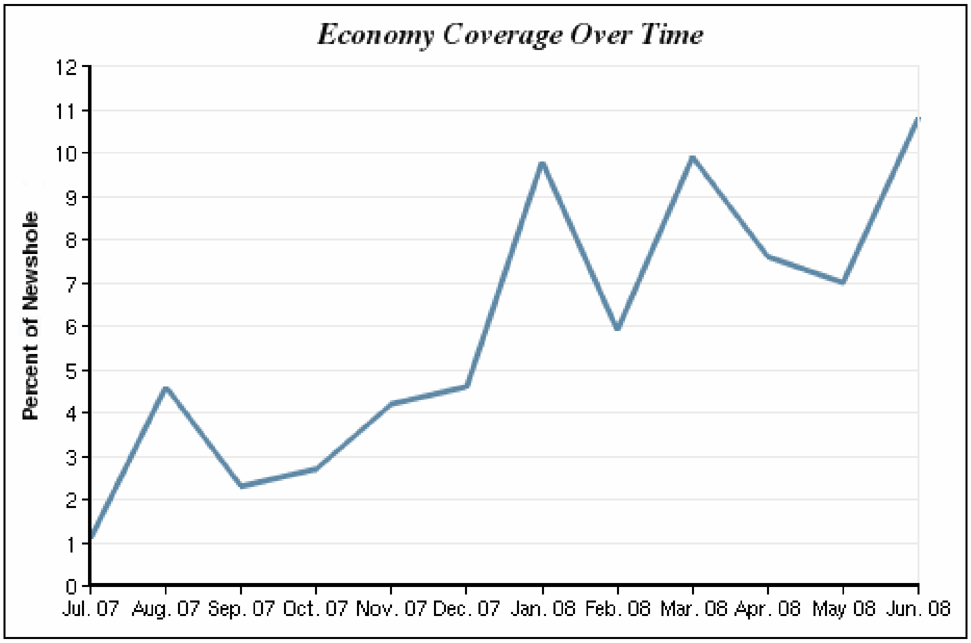
- While public attention to economic news does not always translate into more coverage, more coverage of the economy can be correlated to deepening public worries. After press coverage of the economy jumped in the first quarter of 2008, the number of Americans who considered the economy to be ailing doubled. The economic picture improved slightly during that period.

- What Americans know about the economy, and how much they know, also may vary based on what media they consume. Parts of the economy are a bigger story in one medium than another, and some media are generally less concerned overall. Gas prices, for instance, are a bigger TV story. Banking and housing are bigger in print. And unless there is a clear political wedge issue to argue about, the economy does not tend to become much of story on cable news or on talk radio, at least not during the key time slots when most people are tuned in. Since January 2007, the economy has been about a third as big a story on cable news and talk radio as in newspapers and on network television.

The Arc of the Story

The economy began to gain traction in the news media in August 2007 as reports of a tightening housing market and rumors of Countrywide Financial's imminent bankruptcy seeped into the news. Local papers began to track the problems in their own communities. As the month progressed, for instance, the Albuquerque Journal covered a plunge in the stock of the Santa Fe-based Thornburg Mortgage company. In Minneapolis, meanwhile, The Star Tribune reported that bankruptcy filings in the state, driven largely by the troubled mortgage market, were up by 60%. Bigger newspapers noticed the trend, too. Sales of existing homes in August plunged by a full 5%. Even the President was worried. “Bush Will Offer Relief For Some On Home Loans” read a headline from The New York Times front page on August 31, 2008**.**

When that happened, the economy jumped to 5% of the newshole studied by PEJ in August, up from 1% in July. In newspapers, the August increase was even bigger, rising to 8% after being at 2% in July.



Coverage of the economy, however, did not keep growing. The story subsided in September and October, falling to 2% and 3% of the newshole studied. In September, economy coverage lagged behind wildfires raging in the West. It began to pick up again in November and December as Americans were hit with double punch of rising gas prices and a 0.6% jump in the Consumer Price Index.

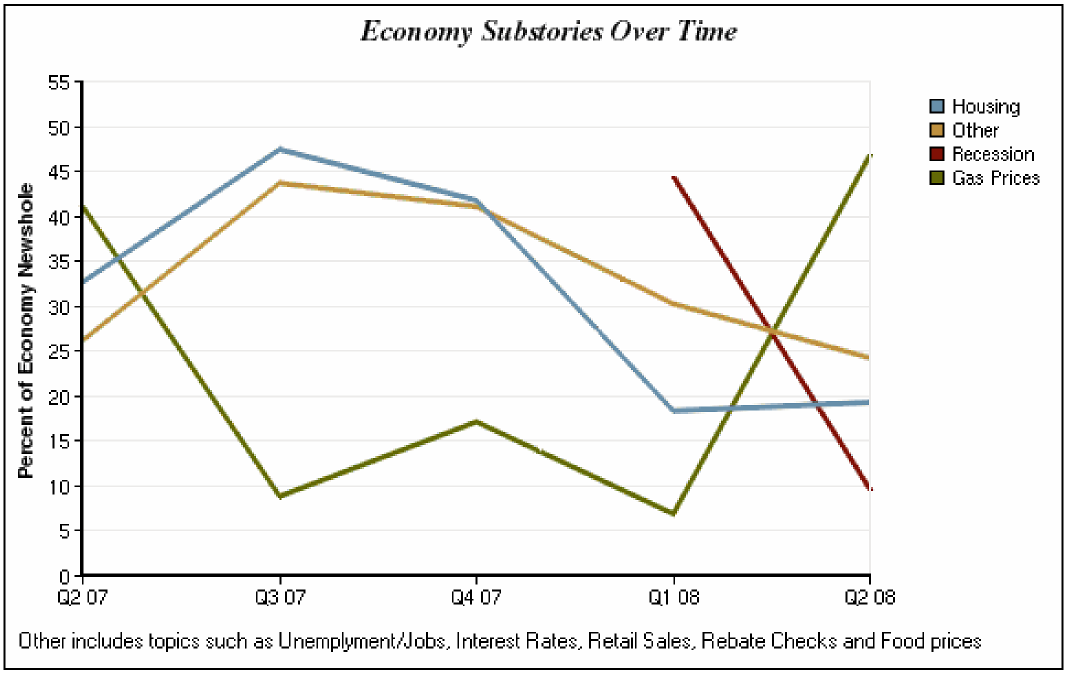
But the media really began to focus on the economy in a significant way in the first three months of 2008, particularly starting in late January. As the presidential primaries and caucuses hit full stride, the economy emerged as both a major storyline and the leading public worry. From January through March, the economy filled 9% of the newshole studied, pulling well ahead of the war or any issue other than politics. And the topic remained at a roughly similar level of attention from then on. From April through June, it accounted for 8% of the newshole studied.

As the story evolved, the narrative in the press—what part of the economy was being talked about—changed fairly significantly. When it began, the economy was primarily a housing story. In the third and fourth quarter of 2007, almost half all the economic coverage (44%) was about housing**.**

With the new year, the storyline changed. Concerns about problems with the mortgage industry and its effect on housing broadened into something larger. The biggest focus of the coverage in the first quarter of 2008 was now whether the country was heading toward a recession.

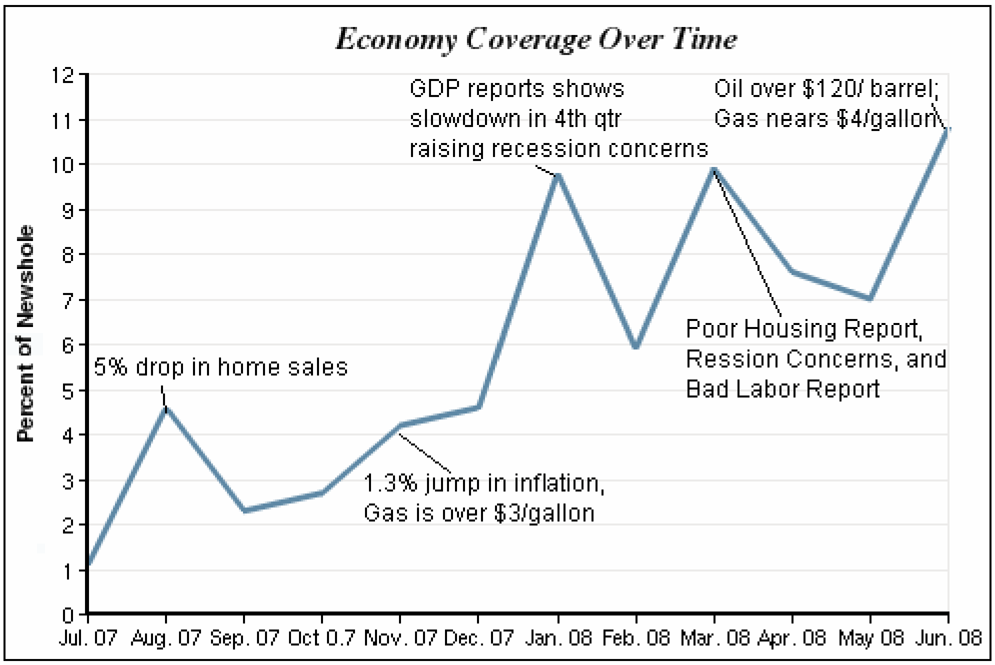
The trigger was a series of economic statements. On January 9, the influential investment firm of Goldman Sachs released a report predicting a recession. Federal Reserve Chairman Ben Bernanke publicly disagreed with that assessment a week later. When the federal data on Gross Domestic Produce came out January 30, it showed the economy in the fourth quarter of 2007 had slowed to 2.3%. And the debate was on. For the first three months of 2008, fully 44% of the economic coverage was focused on whether the recession was coming. Housing now accounted for just 18% of the economic story. Rising gas and energy was a relatively small story (7% of the economic coverage). The sudden stock price drop on January 21 made up another 6%.

And then the story would change again. At the end of April, the Federal government's report found the growth rate in GDP had picked up slightly in the first quarter, and with that news, discussion of whether the economy was in recession gave way to something else. Starting in April, the story of the economy became focused more on the price of gas and oil.



From April through June, almost half of the economy coverage (47%) was about rising energy prices, up from just 7% of the coverage the previous three months. The second-biggest element of the story remained housing (at 19%), but it too had taken a turn. The story of defaulting mortgages had evolved into a story more about a crisis in banking generally than mortgages and foreclosures in particular.

The banking storyline, to be sure, had begun earlier in the year. In January, Bank of America had bought the troubled Countrywide Financial, the nation's largest mortgage lender. In mid-March, the investment banking firm Bear Stearns was on the brink of failure and was bailed out by an 11th hour purchase plan by J.P. Morgan Chase. (This storyline would drag on for months with debates over the price per share). The Bush Administration, in league with Federal Reserve, was also becoming more interventionist in an effort to calm investor fears. On March 12, the government authorized a $200 billion rescue plan for ailing banks. By the second quarter of 2008, other storylines that would loom even larger in the third quarter were beginning to emerge. On May 27, the Wall Street Journal predicted that the Federal Reserve's intervention in the sale of Bear Stearns was likely to lead to more regulation and oversight by the central bank. By July, that prediction proved true as the government moved to take over IndyMac Bank and to shore up troubled mortgage giants Freddie Mac and Fannie Mae.



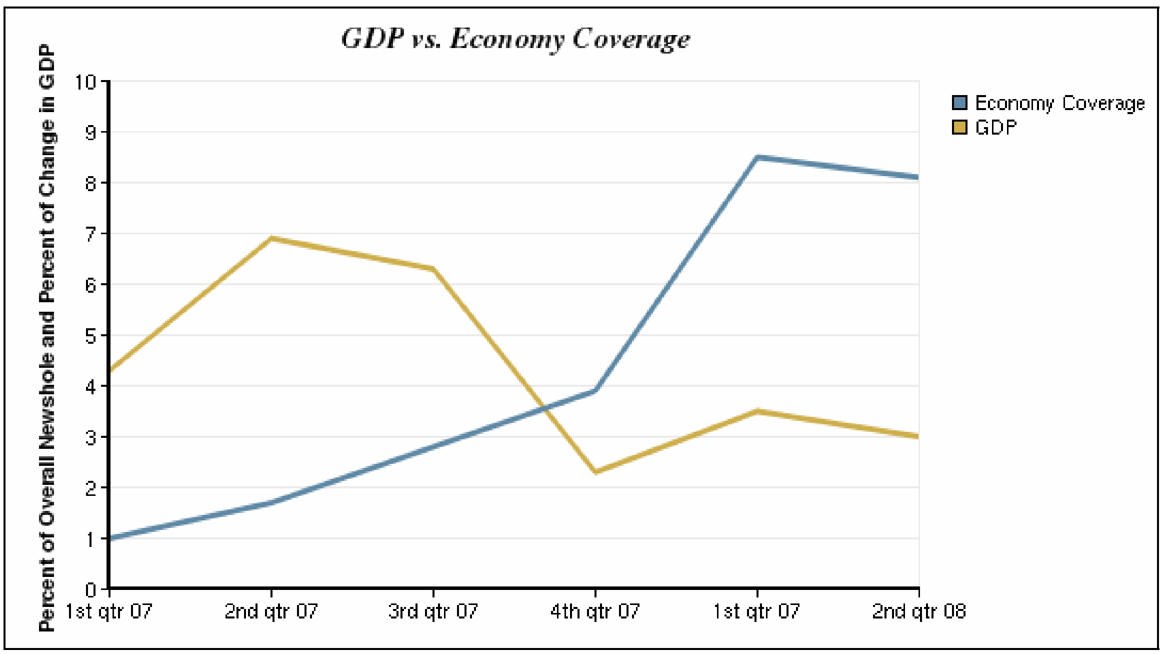
How Coverage Tracked with Economic Events

Tracking the narratives, one gets a sense of a news industry curious about what is occurring in the economy but with limited handles to grab on to the story. The government data are one handle, though often months behind. Congressional testimony and statements by government officials in press conferences are another. The reaction of the private sector, through the stock market, quarterly earnings reports and the financial health of companies is a third. Yet all of these may tend to leave the media narrative lagging months behind what is going on in people's lives. To what extent did the press coverage track with what was actually happening in the economy?

The answer to this is complicated. In some instances, the press appears to be months behind economic events. For other kinds of stories, the press is closely sync with what is occurring. The decisive factor appears to relate to how easy a story is to tell.

The broadest metric of the economy is generally Gross Domestic Product (GDP), which is the total market value of all goods and services produced in the country in a given time period. Tracking GDP with press coverage reveals how the media tend to be late in telling the public what is actually occurring in the economy overall.

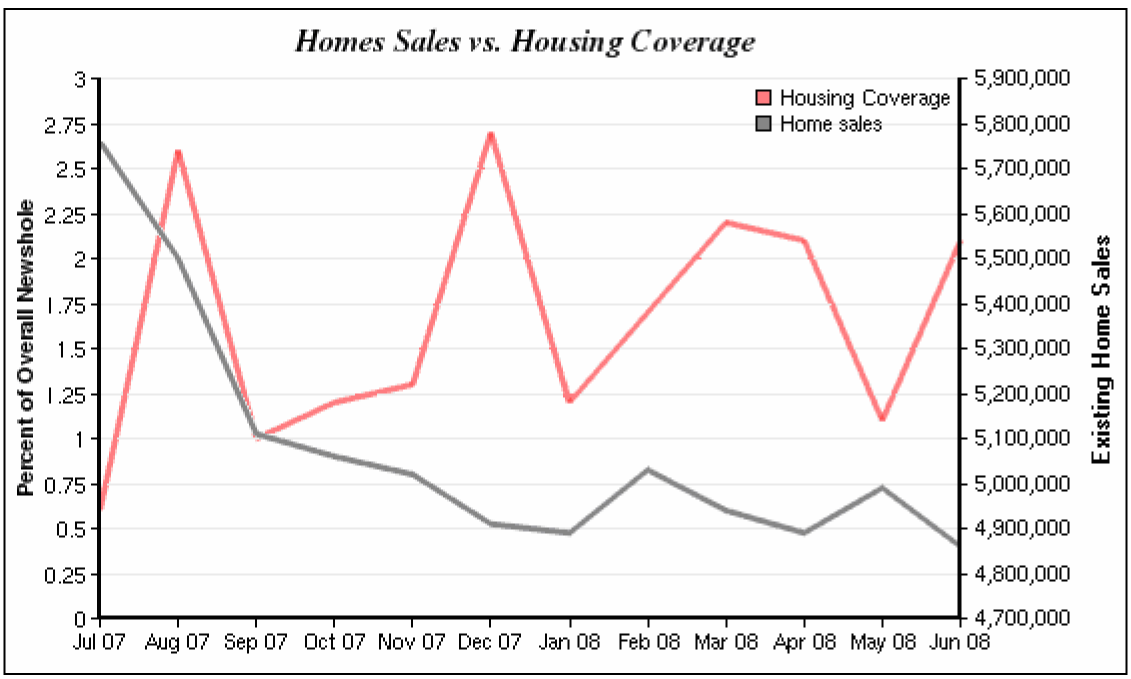
When the economy began to slow sharply in the fourth quarter of 2007, the press reacted only modestly. The spike in coverage of economic woes came in January, when economists began to anticipate the release of pessimistic GDP data for the quarter. (That report, issued on Jan. 30, found that GDP growth for that period had slowed to 2.3%) By the time coverage of a slowing economy picked up in the first three months of this year, the rate of GDP growth was actually increasing again. That pattern of the coverage lagging behind events—and being largely dependent on official government reports—was manifest again in the second quarter of 2008 when GDP growth slipped again (though the report documenting that would not appear until late July). With the press thinking the economy was picking up again based on the previous GDP report, coverage of the slowing economy subsided as a storyline.



If the press' relationship to GDP is generally one of being behind events, the pattern of coverage relating to several other key economic indicators—such as the housing market and the Consumer Price Index—is more erratic.

Starting in the second quarter of 2007 the sales of existing homes have been on a steady downturn, an ongoing decrease that has generally continued, with only minor exceptions, through the second quarter of this year. [1] Yet the coverage of the problems plaguing the housing and mortgage markets vacillated wildly in the last year. There were major spikes up in coverage in August 2007, when President Bush unveiled plans to offer federal aid to those defaulting on mortgages, and in December 2007, when Treasury Secretary Henry Paulson introduced the idea of freezing mortgage interest rates to help homeowners. Yet each of those was followed by plunges in the amount of coverage the following month—in September 2007 and January 2008. In September, the overall economy fell in news coverage as the war in Iraq generated greater media attention, and in January, fears of a recession overtook all other economic concerns in the media.

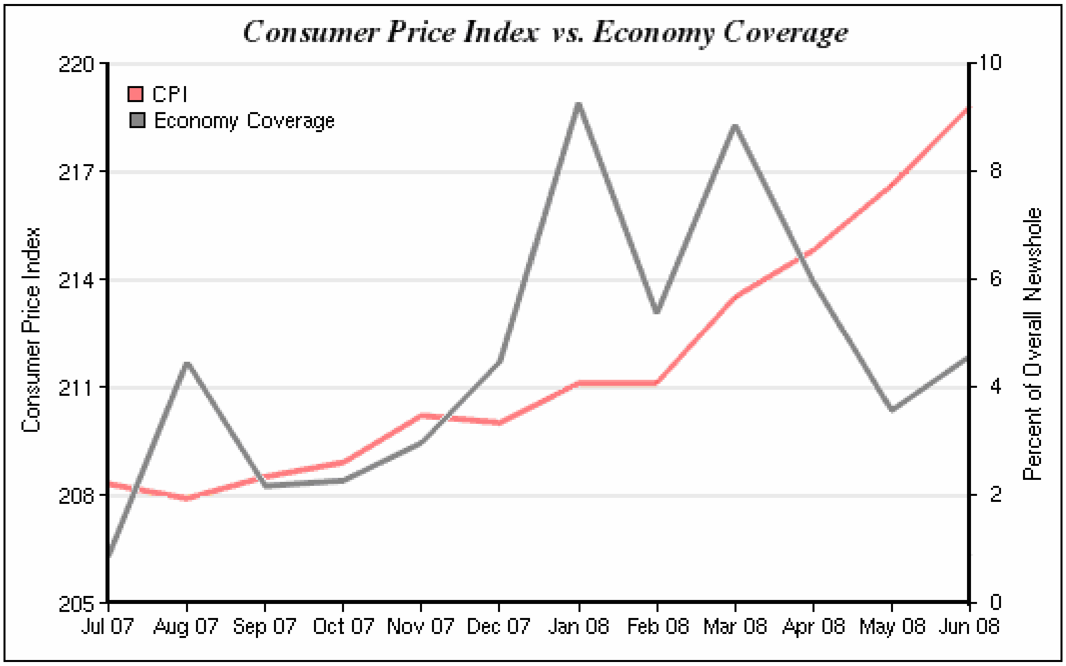
The pattern of up and down coverage of housing was repeated in 2008. In March, coverage of housing picked up again noticeably, the same time that news surfaced of the Bear Stearns buyout after the bank was saddled with so many bad mortgages. It dipped again in May when a cyclone in Myanmar and an earthquake in China generated more coverage than the economy (not including energy prices). Coverage of housing then rose again in June.



The Consumer Price Index, which measures inflation in the economy, has been steadily rising, with one minor downturn, since August 2007. Here, too, coverage has ebbed and flowed—with only one obvious connection to the inflationary trajectory. In March 2008, there was a clear relationship between rising prices and a major spike in

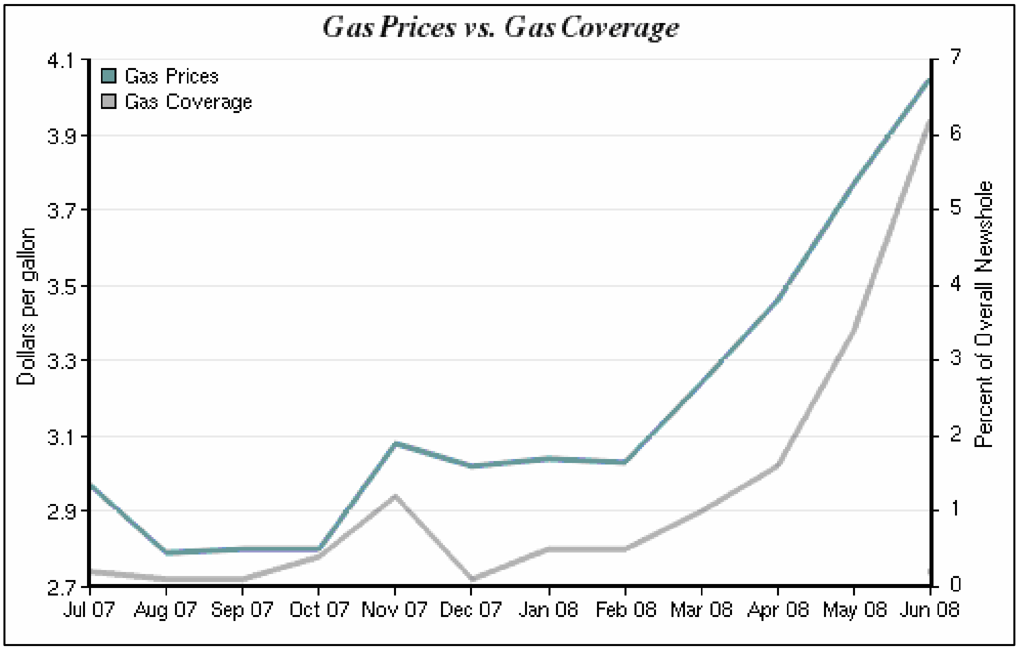
[1] Existing-home sales fall in 41 states, Associated Press, August 15, 2007. Available online at http://www.msnbc.msn.com/id/20279235/.

coverage. In that month, inflation grew at a rapid rate and rising food prices became a significant concern. Yet on other occasions, the relationship between coverage and rising prices is less clear. A significant jump in inflation during the second quarter of 2008, for example, was met with a general downturn in economic coverage**.**



The one aspect of the economic crisis in which the media were most in sync with actual events was gas prices. From August 2007 through June 2008, coverage of energy prices almost exactly matched the arc of rising gas costs. And in the rare periods when prices fell, such as December 2007, that was matched with a corresponding drop in coverage of the issue. As the cost of gas soared throughout 2008, the amount of coverage grew at nearly the same rate.

Why was coverage of gas prices so closely tied to actual events? We can only speculate, but some inferences are clear. First, it is easy for the media—or anyone for that matter, even news executives—to be able to monitor gas prices in real time. One need only look at the signs at your local gas station on the way to work. And certain pricing milestones triggered a spike in coverage. That was true in Nov. 2007 when the average cost of a gallon of unleaded regular hit $3 a gallon and again in June 2008 when the price reached the $4 mark.



Not only are gas prices an easy story to spot, they also represent an easy story for the media to tell and perhaps also for the public to understand. There are no confusing sets of conflicting data or complex economic jargon to parse, no indices made up of multiple elements to explain. Instead, "pain at the pump" is easy to illustrate visually and easy to connect to consumers. There are the person-at-the-pump interviews with frustrated drivers and handy visual gimmicks—such as the oil barrel, with its changing price tag, that was a staple of the CNN morning show.

All this, however, suggests that the media tend to cover the economy unevenly. They cover some aspects in real time—gas prices—because they are easy to see and touch consumers in obvious ways. They cover others late, and more abstractly, because those elements are measured in data, and released after the fact. The press, in a sense, is seeing parts of the story, but describing the whole can be elusive.

The News vs. Public Opinion

If the relationship between media coverage and events is uneven, what about coverage and public opinion? Are the media reflecting public concern about the economy, telling a story they know the public is interested in hearing? Or are the media manufacturing public concern, driving a crisis in consumer confidence, creating what a former Senator Phil Gramm of Texas called a "mental recession?" Or is the current economic crisis another example of how the media can reflect, reinforce, and then multiply the public's concerns?

There are, of course, a number of factors other than news coverage that can influence public opinion on a subject like the economy, ranging from personal experience to the presidential candidates' views on the issue. And looking over the crisis so far suggests a complex relationship between coverage and the public. It is neither a clear case of media reflecting nor manufacturing public worry, but there are evident correlations between increased coverage and growing public anxiety.

Survey data from the Pew Research Center for the People & The Press reveals that public interest in the economy—going back to 2007—has consistently been at a significantly higher level than the media coverage of the story. From August 2007 through the end of that year, for instance, about a quarter of Americans were paying very close attention the economy. That represents a fairly modest level of concern about that subject. Yet it still outstripped media interest. In that period, the economy and energy prices combined accounted for 4% of the newshole, making it the fifth largest news story.

Public Interest v. Media Coverage

Dates for People-Press	% following US Economy "Very Closely"	Coverage of Economy	Dates for PEJ
Aug. 10-13, 2007	28	3.0	Aug. 5-10, 2007
Oct. 19-22, 2007	25	3.5	Oct. 14-19, 2007
Nov. 2-5, 2007	27	5.0	Oct. 28-Nov. 2, 2007
Jan. 11-14, 2008	36	3.4	Jan. 6-11, 2008
Jan. 18-21, 2008	42	12.4	Jan. 14-20, 2008
Feb. 1-4, 2008	40	6.9	Jan. 28-Feb. 3, 2008
Feb. 15-18, 2008	37	6.1	Feb. 11-17, 2008
Feb. 29-Mar 3, 2008	38	8.3	Feb. 25-Mar. 2, 2008
Mar. 20-24, 2008	45	16.0	Mar. 17-23, 2008
Mar. 28-31, 2008	42	7.3	Mar. 24-30, 2008
Apr. 4-7, 2008	39	10.7	Mar. 31-Apr. 6, 2008
Apr. 18-21, 2008	41	5.5	Apr. 14-20, 2008
May 2-5, 2008	43	12.5	Apr. 28-May 4, 2008
May 9-12, 2008	42	6.9	May 5-11, 2008
Jun. 13-16, 2008	42	11.5	Jun. 9-15, 2008
Jun. 27-30, 2008	49	12.2	June 23-29, 2008

The public's attention to prices at the pump seemed even further out of sync with coverage. In November, fully 44% of Americans surveyed said they were following news about energy prices "very closely." At the time, such stories accounted for just 1% of the newshole studied.

That gap between coverage and public concern continued into 2008, even as the media attention to the economy, and public interest in the subject, both grew. So far this year, the lowest that public interest in the economy ever dipped was to 36% of survey respondents following the story "very closely." Coverage of the economy, by contrast, has filled 8% of the newshole studied in 2008.

There is similar gap in coverage vs. public interest in gas prices. In April, May and June, more than 60% of Americans said they were following news about the subject "very closely." Yet the story accounted for 3% of the newshole studied.

Overall, Americans also tended to be more interested in the economy in 2008 than the presidential race, though not by a substantial margin. In the media agenda, campaign coverage overwhelmed economic news by nearly five to one.

Dates for People-Press	% following US Economy "Very Closely"	% following Presidential Campaign "Very Closely"	Coverage of Economy	Coverage of the Presidential Campaign	Dates for PEJ
Jan. 11-14, '08	36	32	3.4	49.3	Jan. 6-11, '08
Jan. 18-21, '08	42	36	12.4	39.2	Jan. 14-20, '08
Feb. 1-4, '08	40	37	6.9	50.5	Jan. 28-Feb. 3, '08
Feb. 15-18, '08	37	44	6.1	40.2	Feb. 11-17, '08
Feb. 29-Mar 3, '08	38	43	8.3	37.7	Feb. 25-Mar. 2, '08
Mar. 20-24, '08	45	34	16.0	38.6	Mar. 17-23, '08
Mar. 28-31, '08	42	31	7.3	34.2	Mar. 24-30, '08
Apr. 4-7, '08	39	33	10.7	32.3	Mar. 31-Apr. 6, '08
Apr. 18-21, '08	41	29	5.5	30.7	Apr. 14-20, '08
May 2-5, '08	43	27	12.5	38.2	Apr. 28-May 4, '08
May 9-12, '08	42	35	6.9	45.7	May 5-11, '08
Jun. 13-16, '08	42	35	11.5	23.9	Jun. 9-15, '08
Jun. 27-30, '08	49	39	12.2	26.7	June 23-29, '08

It is hardly the case that the numbers for news coverage and public curiosity about the news should be identical. The space for news is a limited commodity, while anxiety is not. Still, those gaps in coverage reflect some of the largest discrepancies between press coverage and public attention to any topic.

What they do suggest, more clearly, is that the media were not manufacturing public attention in the economy. Nor, however, were the media entirely reflecting that interest. It existed, in some sense, independent of the coverage.

One example of when such gaps occurred came the week of April 28 through May 2. Barack Obama's former pastor, Rev. Jeremiah Wright, went on a media tour that included an appearance at the National Press Club, with the NAACP and with Bill Moyers on PBS. In the media that week, the campaign, driven by the Wright story, filled 37% of the newshole studied.

In the economy, crude oil reached $120 a barrel, stimulus checks began showing up in bank accounts, and federal statistics reported 20,000 jobs lost the previous month. The economy, in turn, was heavily covered, filling a sizable 13% of the coverage studied that week.

But even as the campaign generated three times the coverage that the economy did, public attention, as measured in surveys, tilted the other way. Fully 27% of Americans were paying very close attention to that campaign coverage that week, while 43% focused on the economy and 63% on gas prices.

So if it wasn't public opinion, what was driving coverage of the economy? The biggest catalyst for media attention appeared to be external events—such as government reports, banking reports, official testimony. The media, on the story of the economy at least, have been more attuned to traditional institutional sources than to public opinion polls.

Media Coverage and Views about the Economy

Even if journalists and the public were not entirely in sync about levels of coverage and interest in the story, there does appear to be a correlation between how much coverage the media offered and how pessimistic people were about their economic fortunes. While other factors could have contributed to declining public confidence in the nation's fiscal health, American's anxiety about the economy intensified as media coverage increased.

In other words, even if the media did not manufacture that public concern, more coverage may have reinforced those worries and confirmed for people that their fears are justified.

As an example, in January this year, 26% of Americans considered the economy to be in excellent or good shape, while 28% considered in poor shape. By March, after news coverage more than doubled from the previous quarter, those numbers had changed markedly for the worse. Only 11% now considered the economy to be in excellent or good shape, while the percentage of Americans who considered the economy to be ailing had doubled to 56%.[2]

What's perhaps more dramatic is the relationship between public worry over rising oil and gas prices and increases in coverage. In January, 3% of Americans considered energy prices the most important problem facing the country. By July, that number had jumped to 19%, compared with 17% who thought the war in Iraq was the top problem. Americans now also considered it the No. 1 element of the economic crisis.[3]

That jump in concern over gas prices coincided precisely with a jump in coverage of the issue. From the first quarter of 2007 through the first quarter of 2008, gas and oil coverage never even reached a single percent of the coverage. In the second quarter of 2008, it increased more than five fold, and by June was an even bigger story than the U.S. economy generally.

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[2] In the fourth quarter of 2007, coverage of the economy filled less than 4% of the overall newshole. By the next quarter—the first quarter 2008—the economy coverage had risen to 9% of the newshole.

[3] At the same time, those who cited energy costs as the most important "economic problem" facing the country, jumped from 11% in Feb. 2008 to 38% in July 2008. That makes energy prices the biggest component of the economic problem according to the survey, much bigger than unemployment and jobs (13%) or housing (10%).

In short, pessimism over the economy can hardly be laid at the feet of journalists since the public seems more highly attuned to economic conditions than the media. But this also makes it a story in which more coverage may have a particularly potent effect.

Coverage by Media Sector

As concerns about the economy deepened in 2007 and expanded throughout 2008, not all media outlets paid equal attention to the crisis. Generally speaking, daily newspapers—which, in many cases, have sizeable business staffs regularly covering the subject—have been in the forefront of economic coverage.

Even on just their front pages, newspapers have covered the story more than other media. From January 2007 through June 2008, more than 6% of the newshole studied in newspapers has focused on the economy.

The second-highest level of overall economic coverage came from the evening news programs on ABC, CBS, and NBC, the shows fronted by Charles Gibson, Katie Couric and Brian Williams. Those three programs devoted just under 6% of their airtime to the economy. (In the second quarter of 2008, coverage of the economy on the nightly newscasts, at 12%, actually edged past newspapers, at 11%.) Traditional news radio—the hourly five-minute headline newscasts and NPR's Morning Edition—was right behind, also almost at 6%.

In other words, one thing clearly revealed by this report is that coverage of the economy was more extensive in the so-called "old media" platforms, the traditional legacy media of newspapers, broadcast television news and radio news.

Conversely, some of the lowest levels of coverage were in the newer media platforms, such as talk radio and cable news. These are segments of the news universe that tend to rely more strongly on opinion and debate. Since January 2007, only 2% of the airtime studied on cable news was devoted to the economy, sixteen times less than the time cable devoted to the presidential election. That number is strikingly similar to how much time was spent on the subject on talk radio, by hosts such as Rush Limbaugh on the right or Ed Schultz on the left (1.9%).

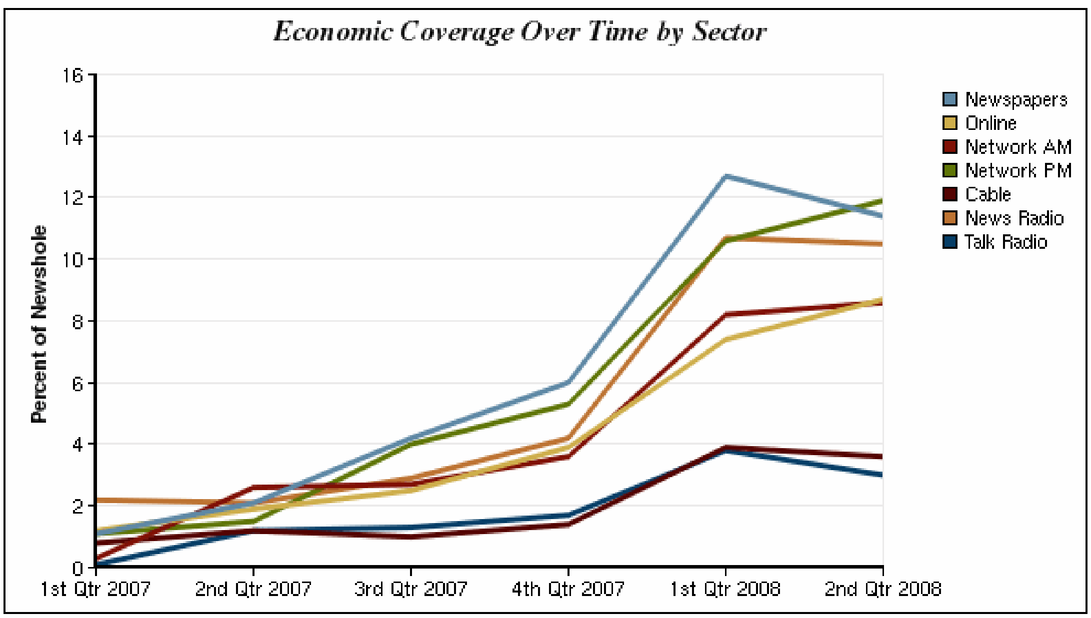
In another media platform, online news, attention to the economic crisis increased significantly over time. But overall, the news websites were in the middle of the pack when it came to covering the economy (4% of newshole studied), behind the traditional media sectors, but substantially ahead of cable and talk radio.

Economy Coverage by Sector
Percent of Newshole

Newspapers	6.4
Network PM	5.9
News Radio	5.6
Network AM	4.5
Online	4.4
Cable	2.0
Talk Radio	1.9

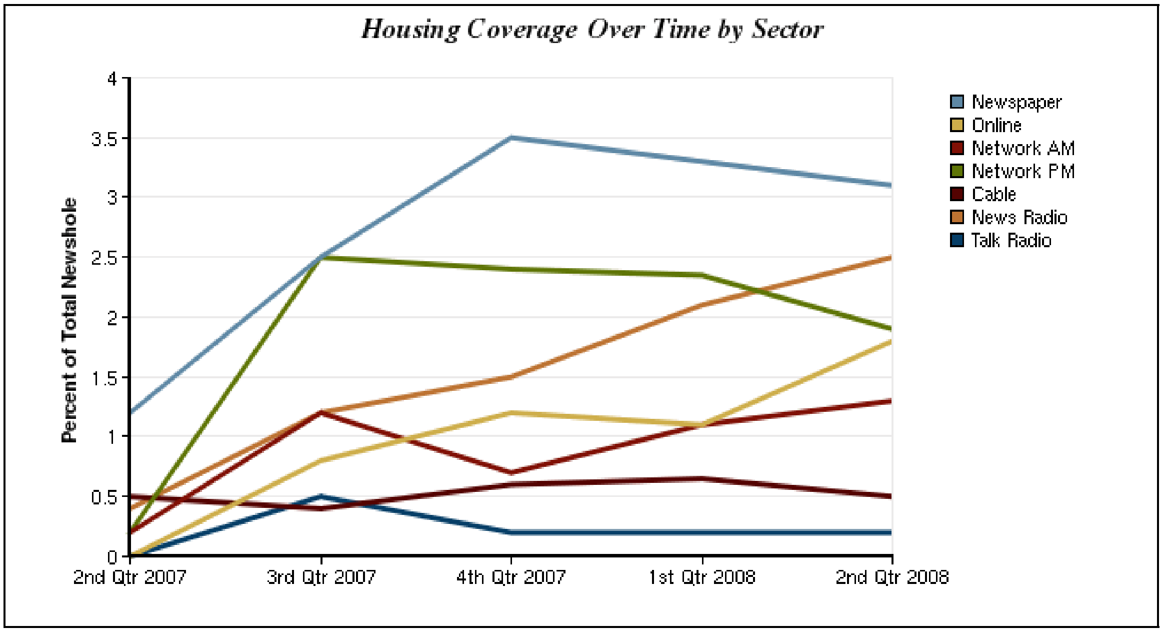
These findings, about the tendency of traditional media to cover this complex story more than some newer media, have implications for the future if current trends continue. The media that have covered the economy more extensively are the ones at the moment are most in decline either in audience or in their revenue base.

Looking at the arc of the economy story over the past year, the differences in coverage by media sector rarely changed significantly. When one platform covered the story more, others tended to so as well. The biggest spike in widespread coverage occurred in the first quarter of 2008, when coverage in every sector at least doubled over that of the previous quarter. (The only minor exception was online where coverage increased by 89 percent.)

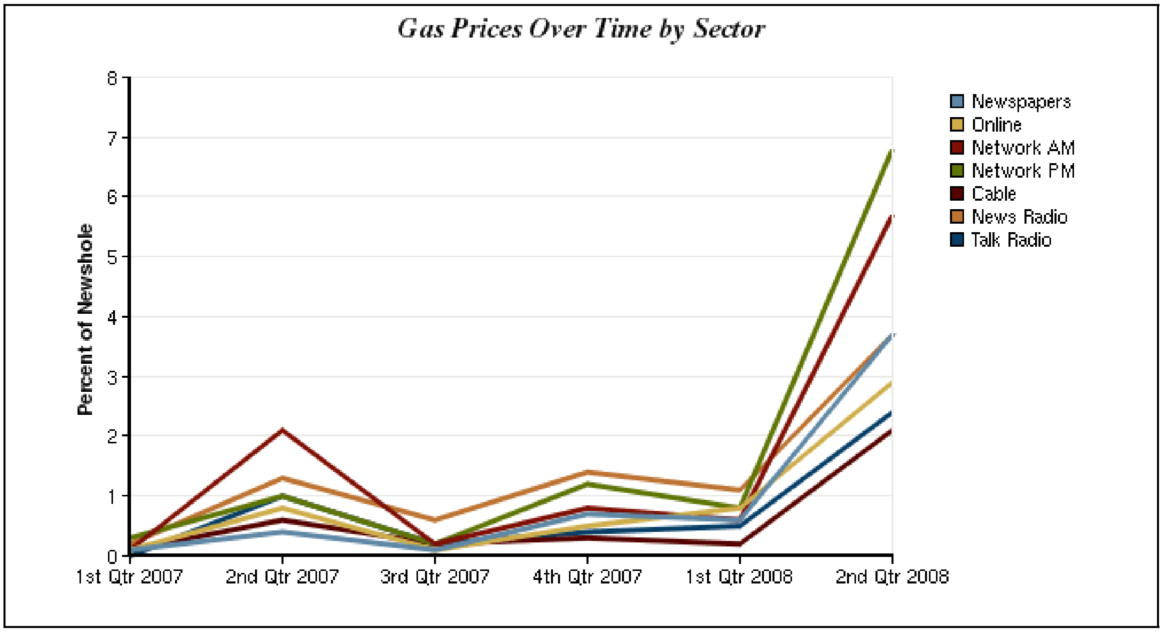


Even as the trend lines in overall economic coverage look largely in sync, a closer examination of the data indicates that coverage of some crucial elements of the overarching economic story varied substantially by media sector. Some storylines get more coverage in one medium, while others seem more suited to other platforms. When it comes to economic news at least, in other words, the medium to some extent is the message.

For instance, the housing and mortgage problem has tended to be a newspaper story—since October 2007, more than 3% of the all the newspaper coverage studied was about the housing and mortgage problems. Starting in the second quarter of 2007, newspapers led coverage of the housing crisis in every quarter. (It was tied with the nightly network newscasts in the third quarter of 2007.)



Gas prices, in contrast, seem to be a story made for network TV, with television-friendly visuals illustrating the impact on consumers. Although the level of coverage of energy costs was fairly uniform among media sectors through 2007 and the early part of 2008, that changed when the story caught fire in the second quarter of this year. In that period, gas prices filled nearly 7% of the newshole on network evening news, nearly double the percentage of the front-page newshole in print and more than triple the percentage of coverage in the cable airtime studied. Rising gas prices also became a very big story on the network morning news shows in the second quarter of 2008, where the subject accounted for almost 6% of the airtime studied.



Although it was a small component of overall economic coverage, there was also a marked difference in how some media sectors covered news about unemployment and jobs. Most notably, online news has consistently paid the most attention to that issue. That trend became even more pronounced in 2008, and particularly in the second quarter, when the news websites devoted at least twice as coverage to the unemployment situation than any other sector.

In short, what one knows about the economy, or even what one might think is the biggest economic issue, depends heavily on where one gets the news.

The breakdown of economic coverage by media sector, when matched with public attitudes about the economy, may also suggest something about the storytelling power of television. The subject that was covered most extensively on broadcast news, and the one that has seen a huge spike in network coverage in the second quarter of 2008, seemed to have the largest impact on the public psyche. That can be seen in the recent Pew Research Center for the People & Press survey in which the percentage of Americans who say that rising energy prices are the most important economic problem facing the country jumped from 11% in February 2008 to 38% in July.

As the public has focused more on energy prices as an economic culprit, concerns about other elements of the fiscal crisis have diminished. The People-Press survey revealed, for example, that between February and July of this year, the percentage of Americans who consider jobs and unemployment and housing to be the leading economic ills has fallen. That may reflect both the visceral impact of rising gas prices on the daily lives of millions of citizens as well as the psychological potency of messages hammered home on television.

Conclusion

The public's role in some news events is more significant than in others. It is the voter who decides elections. By contrast, news of a pileup on the interstate may be significant, but what consumers think about it will have a limited impact on the event.

The economy is one of those stories in which public attitudes play a central role. Is the economic slowdown simply in our minds, as former Senator Phil Gramm suggested? Perhaps not entirely. But to some degree, of course, all recessions, just as is true of all bull markets on Wall Street, are significantly influenced by consumer psychology. And the information the public is operating by is a major determinant of that psychology.

In the current economy, the public was focused on this story in some ways before the media. Local media, and national print, seemed to sense the story first. And the tendency of television media to tell the story of gas and energy prices, ahead of other elements, is influencing public perceptions of what is at the root of the economic slowdown.

That psychology is also influenced by an elusive timing embedded in the way the media learn about economic events. With its reliance on government data, much of our understanding of the economy is delayed. And a modest recovery might be occurring while the news, linked backwards to the previous quarter, is highlighting a slowdown.

The result is a partial, perhaps even blurry image, parts of an elephant, photographed at different times, pieced together after it has already moved.