The Effect of Newspaper Entry and Exit on Electoral Politics

Matthew Gentzkow (Chicago)  Jesse Shapiro (Chicago)  Michael Sinkinson (Harvard)
Motivation

- Regulation of media motivated by possible effects on politics
- Emerging evidence
- Key limitations
  - Small number of events / outlets
  - Difficulty of measuring content / partisanship
  - Limited variation in market structure (competition, diversity, etc.)
This Paper

- New data on entry/exit of US daily newspapers from 1869-2004
- Use sharp timing of events to identify political effects
- Key features of the data
  - Number of events & long time horizon
  - Political affiliations
  - Variation in market structure
Preview of Findings

- **Participation**
  - Reading a newspaper causes 13% of non-voters to vote
  - 1st paper matters; 2+ not so clear
  - Less important for presidential (but not congressional) turnout over time
  - No separate effect of ideological diversity

- **Persuasion**
  - Partisan papers do not significantly affect vote shares

- **Political competition**
  - No evidence that newspapers moderate/exacerbate incumbency advantage
Data

- Annual directories of U.S. newspapers
  - Rowell’s/Ayer’s Directory 1869-1928
  - Editor & Publisher International Yearbook 1932-2004
- Define news market = county
- Merge to county-level voting and demographic data
Background

- Political content
- Party affiliations
- Size of entry and exit events
- Drivers of entry and exit
Empirical Model

- Number of newspapers $n_{ct}$
- Outcome $y_{ct}$ (e.g. turnout):

$$\Delta y_{ct} = \beta \Delta n_{ct} + \text{controls} + \gamma_{st} + \text{error}$$

- Treats exits/entries as equal and opposite
- Identification
  - Argue likely bias works against us
  - Exploit sharp timing
  - Look at pre-trends
  - Placebo exercise
Model in Continuous Time

Voter Turnout

\[ \beta \]

Entry

Time
Model in Discrete Time

\[ \text{Voter Turnout} \]

\[ \beta \]

\[ t^{*-2} \quad t^{*-1} \quad t^{*} \quad t^{*+1} \quad t^{*+2} \]

\[ \text{Time} \]
Model in First Differences

ΔVoter Turnout

β

t*-2  t*-1  t*  t*+1  t*+2

Time
Political Participation
Confounds

- Based on existing evidence:
  - Population growth tends to reduce turnout (marginal populations)
  - Income growth has small and ambiguous effects
- We confirm that both factors reduce turnout in our data
- Expect our estimates to be biased downward
Effects on Turnout: Unadjusted

-0.005 0 0.005 0.01

Change in Turnout per Eligible Voter

-40 -36 -32 -28 -24 -20 -16 -12 -8 -4 0 4 8 12 16 20 24 28 32 36 40

Years Relative to Change in Number of Newspapers

○ actual  — predicted
Effects on Turnout: Adjusted

![Graph showing the relationship between years relative to change in number of newspapers and change in turnout per eligible voter. The x-axis represents years relative to change in number of newspapers, ranging from 40 to 0. The y-axis represents change in turnout per eligible voter, ranging from 0.01 to -0.005. The data points are scattered across the graph, indicating no clear pattern or trend.](image-url)
## Estimates: Main

<table>
<thead>
<tr>
<th></th>
<th>Readership (1)</th>
<th>Presidential Turnout (2)</th>
<th>Congressional Turnout (Off Years) (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of a Newspaper</td>
<td>0.1314 (0.0044)</td>
<td>0.0026 (0.0009)</td>
<td>0.0034 (0.0009)</td>
</tr>
<tr>
<td>Demos?</td>
<td>yes</td>
<td>no</td>
<td>yes</td>
</tr>
</tbody>
</table>
Estimates: Competition / Diversity

- Effects largest for the first paper in the market (1 percentage point)
- Cannot reject no effect of second and later papers
- No evidence that ideological diversity matters for turnout
Estimates: Changes over Time

- Effect on presidential turnout falls to zero after radio & TV
- Effect on congressional turnout remains marginally significant and similar in magnitude
Interpretation of Magnitudes

- First newspaper increases turnout by
  - 1 percentage point overall
  - 4 percentage points among readers
  - 13 percentage points among readers who would not otherwise have voted
Party Vote Shares
Most obvious issue: Republican papers go to Republican markets
This pattern is unmistakable in the cross-section
Will tend to bias us towards finding persuasive effects
Effects on Vote Shares

-0.005
0
0.005
0.01

Change in Republican Vote Share

-40
-36
-32
-28
-24
-20
-16
-12
-8
-4
0
4
8
12
16
20
24
28
32
36
40

Years Relative to Change in (#Rep−#Dem)

○ actual  — predicted
Effects on Vote Shares

Change in Republican Vote Share vs. Years Relative to Change in (#Rep−#Dem)
Consider market with one newspaper
Switch it from D to R
Point estimate on Presidential vote share effect is 0.02 percentage points
Upper end of confidence interval is about 0.4 percentage point change
  Effect on readers of 2 percentage points
  "Persuasion rate" of 3 percent in equally split county
  (Compare to Fox News persuasion rate of 12 percent)
Incumbency

- No evidence that newspapers systematically help or hurt incumbents
What Will Happen if Newspapers Close Today?

- Monopoly paper closings may cause small to moderate declines in local participation
- Second paper closings probably have little/no effect
- No evidence that newspaper closings will affect party vote shares or incumbency advantage