

# The Effect of Newspaper Entry and Exit on Electoral Politics

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# Motivation

- Regulation of media motivated by possible effects on politics
- Emerging evidence
  - Strömberg (2004, 2007), Snyder and Strömberg (2008), Gentzkow and Shapiro (2004), Gentzkow (2006), DellaVigna and Kaplan (2007), Gerber, Karlan and Bergan (2008)
- 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

- 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

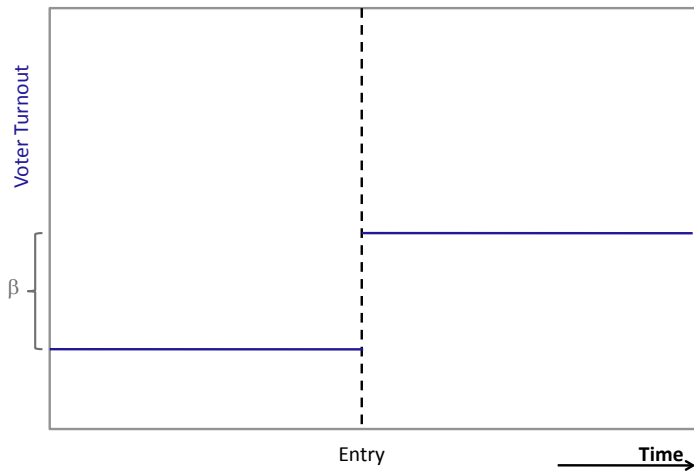
# Empirical Model

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

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

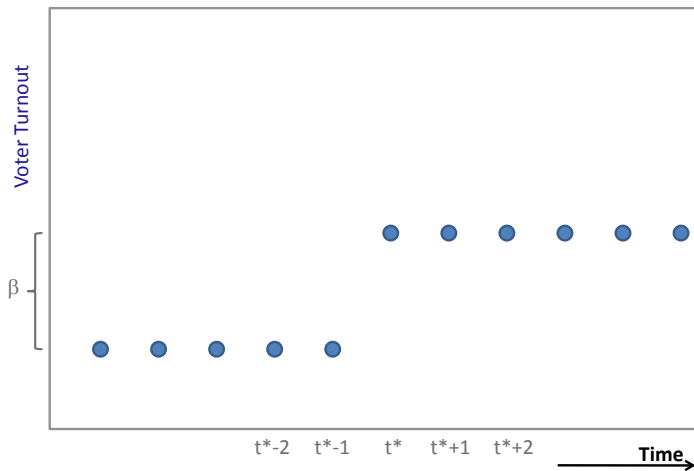
- Treats exits/entries as equal and opposite
- Identification
  - Argue likely bias works against us
  - Exploit sharp timing
  - Look at pre-trends
  - Placebo exercise

# Model in Continuous Time

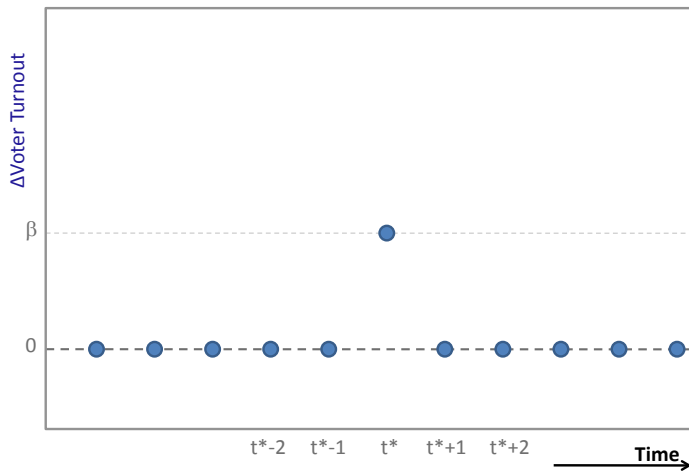




# Model in Discrete Time



# Model in First Differences

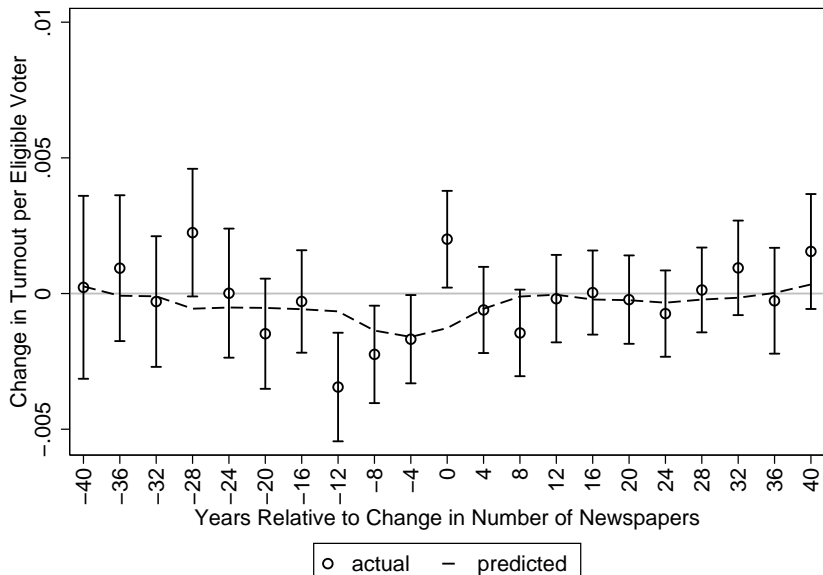


# Political Participation

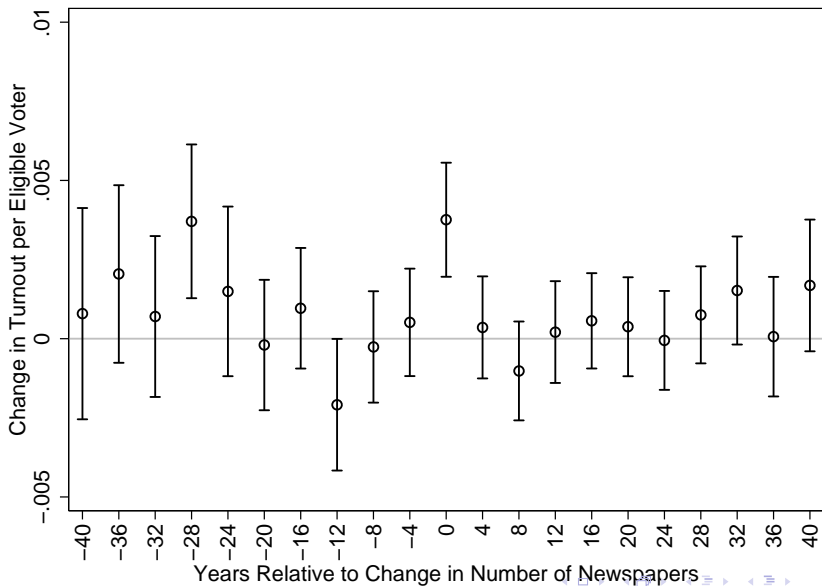
# Confounds

- 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



# Effects on Turnout: Adjusted



# Estimates: Main

	Readership	Presidential Turnout		Congressional Turnout (Off Years)
	(1)	(2)	(3)	(4)
Effect of a Newspaper	0.1314 (0.0044)	0.0026 (0.0009)	0.0034 (0.0009)	0.0032 (0.0012)
Demos?	yes	no	yes	yes

# 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

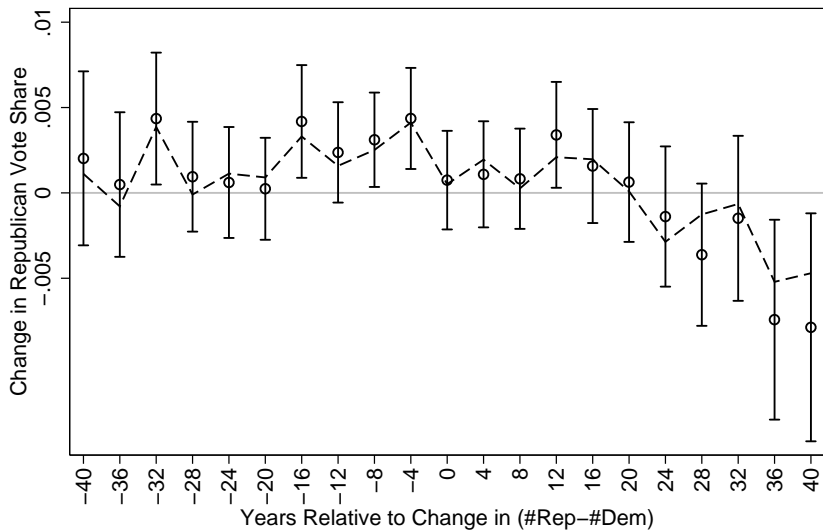
- First newspaper increases turnout by
  - 1 percentage point overall
  - 4 percentage points among readers
  - 13 percentage points among readers who would not otherwise have voted

## Party Vote Shares

# Confounds

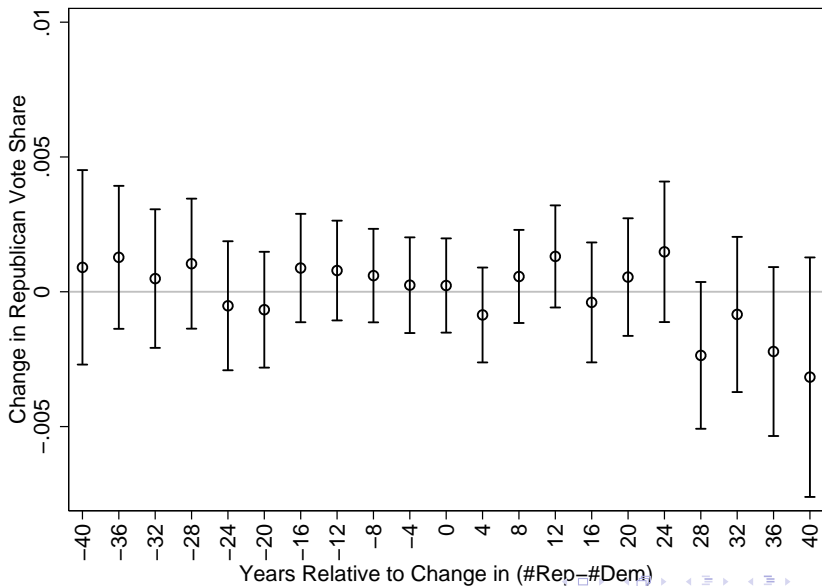
- Most obvious issue: Republican papers go to Republican markets
- This pattern is unmistakable in the cross-section
- Will tend to bias us towards finding persuasive effects

# Effects on Vote Shares



○ actual - predicted

# Effects on Vote Shares



- 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