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Press Coverage of America's Changing Financial Institutions

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Introduction

Only ten years ago, the wave of mergers that swept the banking industry in 1998 would probably have been met by the press with overt criticism and a high level of suspicion. Today, America's financial media generally greet these large mergers--and the prospect of effective deregulation of financial services in America--with equanimity and even approbation. "We've had mild grumbling about ATM fees but no outcry about dangerous financial power," as *Washington Post* economics columnist Robert Samuelson recently commented, accurately summing up the press response.[1]

In that approving silence lies a story. The older American tradition that banks be kept relatively small as well as separate from securities brokers and insurance companies has been a long and venerated one for both press and public. The Glass-Steagall restrictions, adopted during the Great Depression, created a legal wall between commercial and investment banking and engendered the emotional attachment that many New Deal programs such as Social Security and unemployment insurance had. The $70 billion combination of the Travelers Group with Citibank, consummated last fall, now circumvents these restrictions by putting bankers, brokers, and insurance agents under one roof. Combinations of such enormous institutions as BankAmerica with NationsBank likewise challenge traditional concerns about concentration and reduced competition, prospects that many Americans have historically feared especially concerning banks. Surely, one might have thought, these were the sorts of issues on which the press, whose traditional role is to serve as a guardian of the readers' interests, would take a strong and skeptical stance.

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[1]"Banking Revolution," *The Washington Post*, April 29, 1998.

What, then, has changed? Robert Samuelson attributed the calm reaction of the financial media to the recognition that traditional banks had lost their power. Savers and borrowers in increasing numbers now go to many other places to invest their money and take out loans. Banks had 90 percent of household assets as recently as 1980, according to the Federal Reserve, and have only 55 percent today.[2] But there are additional factors. Despite the country's long-standing legal position, the Glass-Steagall restrictions have been informally circumvented for years, and many academic experts, insisting that the law is outdated, have been calling for its revision. As important, the press had also become accustomed to ever-larger corporate mergers in most major industries since the 1970s. "There's a general view out there that the antitrust laws are outdated and need to be overhauled," says the managing editor of the *Wall Street Journal*, Paul Steiger. "It is certainly fashionable in economic and business circles to support mergers."[3]

Such a view is partly justified. In the past, the financial media may well have been too suspicious of business in general and large size in particular. Because the banking industry has changed dramatically, most of the major financial media now concede (and I think often correctly) that nationwide banks can enhance competition in some respects rather than only reduce it. As one *New York Times* article had the respected banking analyst Bert Ely explain it, "Technology has taken local oligopolies and made a national marketplace. And in no line of business could the merged company by any means be considered a dominant player."[4]

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[2]"Trillion Dollar Banks," *Business Week*, April, 1998
[3]Citations of journalists are based on telephone interviews conducted in August and September, 1998.
[4]Robert D. Hersey, Jr., "Shaping a Colossus," *New York Times*, April 7, 1998.

But an extensive review of the media's coverage of financial deregulation and industry consolidation has disturbed this long-time reporter and editor. In my view, there are trends in financial journalism others than those cited above that account for the press's mild and, I think, seriously inadequate reaction to financial deregulation and industry consolidation. By focusing on the coverage of these areas, I shall argue that it is apparent that the pendulum of financial journalism has now swung too far towards over-simplification, complacency, and ready acceptance of the prevailing conventional wisdom of the business and financial communities. I believe financial journalism must take a close and critical look at itself. The financial services industry *and* its critics have justifiable grounds for complaint. Even the basic story about the evolving nature of banks and other financial institutions today is not being properly told.

What causes me --and, as I've discovered, other financial journalists-- unease about our profession? The press has almost universally understated the risks inherent in reduced regulations and free-market solutions in an environment of seeming prosperity and rising stock prices. It has foregone its traditional role of cutting through the self-serving mythology offered by market analysts, business economists, and some mainstream academic economists as well. Now the press often seems to be among their most ardent admirers, too often forgetting that the 1990s is still the slowest-growing decade in the post-World War II period. "I think most reporters today believe that until very recently the 1990s expansion has been a prosperous one," says *New York Times* economics reporter Louis Uchitelle. "I think most believe deregulation is good. This has influenced reporting and where the emphasis goes in stories. Until the Asian crisis, those views were generally unchallenged."

Perhaps most disturbing in my reading is that no strong conviction has emerged in any publication I have read that financial deregulation and industry consolidation should be addressed

with the same kind of vigor that is regularly devoted, say, to Washington scandals, welfare reform, or the stock market. Given Americans' enormous concerns about their economic condition and prosperity, some greater degree of attention would seem natural. But judging by two dozen or so interviews with journalists, editors, and economists, financial deregulation and the evolution of banking are simply not high on the journalistic agenda unless there is a crisis. Is this because it is considered mundane? Or is it also because the deep skepticism that often results in the best journalism is no longer as highly rewarded in even the best journalistic enterprises? Only with the recent crises in East Asia and Russia did the financial press at last begin to pay serious attention to the risks of deregulated global markets. Only with the recent collapse of the hedge fund, Long-Term Capital Management, did the financial press analyze in depth the risks of investments in unregulated derivative markets and unregulated financial institutions. "Deregulation is just rolling along in a way that risks are ignored," warns Chris Welles, senior editor of *Business Week*. "The risk is not adequately explained." Adds Louis Uchitelle of the *Times*: "The risks are rarely in the second paragraph."

This is indefensible, I believe. My reading of recent coverage suggests that financial journalism has changed in ways that have undermined its coverage of many major issues. Here is a summary of my main concerns.

1) Financial journalism, like all other journalism, is increasingly crisis-oriented. Major issues, especially when technical and abstract, are rarely covered unless a scandal breaks, significant losses are incurred, or a government investigation is announced. Thus, coverage of major transformations--such as the deregulation of financial services--is generally episodic rather than regular and ongoing. Such coverage is usually of a broad-brush kind, in which editors take pride that they have covered all the bases, but which usually lacks focus on any single issue.

2) Financial journalism has become much more personality-oriented. Complex issues, editors have apparently decided, can best attract the reader's attention by working them into stories about the rich, famous, and powerful. But the inevitable result is that serious issues are often treated superficially or only briefly.

3) The coverage of business issues has been increasingly displaced by personal finance. Both the *New York Times* and the *Washington Post* now dedicate their Sunday business sections to personal finance, for example. Business news on television is almost entirely devoted to personal finance and even more narrowly to investments in stocks.

4) As noted, under the influence of a long economic expansion and rising financial markets, the financial media have become unjustifiably relaxed about the risks inherent in markets and business. While there is in many quarters an admirable degree of vigilance, (and almost all publications can point proudly to individuals scoops), in general financial journalism has gradually (and maybe unwittingly) reduced its role as a consumer and investor watchdog. Financial television reporting is especially lax.

5) My reading of recent financial journalism also suggests much less skepticism of sources. Wall Street analysts, business and academic economists, and business executives are treated with credulity. On television, sources are interviewed willy-nilly with the same degree of credibility accorded them all, regardless of their vested interests, expertise or experience. Even academic economists are now glamorized by some members of the financial media without attention to their biases. And little distinction is made between an independent expert and one who works for a Wall Street firm or business consulting firm. "The degree of promotion is more powerful than I've ever seen it," says *Business Week's* Welles. In their lack of critical distance, the financial

press not so much helps to set but rather merely reflects the mood of a certain segment of the American population.

6) In their attempt to become more sophisticated, financial journalists have increasingly come to accept the assumptions of mainstream economists. An increasing number of these journalists are, of course, economists themselves or have had serious economic training. But the strength of journalism is in its empiricism ("go out and find the facts"), not in its reliance on academic theories or models which at times may reflect the values and ideologies of their authors. Within the academic profession itself there is considerably more dissension than is typically reported in the press. Yet, ironically, increasing technical sophistication in the media has led to *more acceptance* of ideological points of view rather than the *persistent challenge* of the status quo. The latter, I believe, is one of the requirements of good journalism.

Moreover, the consensus views of economists change. "Twenty years ago," says the *Times'* Uchitelle, "a survey of the American Economic Association would have found a lot fewer supporters of deregulation than there are today." A recent study by three economists, Victor Fuchs, Alan Kreuger and James Poterba should be required reading for journalists.[5] The authors conducted a detailed, carefully constructed survey that finds economists have ideological points of view that affect their economic conclusions. Another more informal survey (done for the United Nations) by former Federal Reserve economist Christopher Rude finds that Wall Street economists, analysts and traders systematically tell the press one thing while they believe something else.[6]

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[5]"Why Do Economists Disagree About Policy? The Roles of Beliefs About parameters and Values," *Journal of Economic Literature*, December 1998.
[6]Christopher Rude, "East Asian Financial Crisis: A New York Market-Informed View," A Report for the United Nations.

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In terms of financial deregulation and consolidation in particular, I believe the financial press has paid insufficient attention to the diseconomies of scale and the managerial failures at diversified financial institutions; to the conflicts of interest that arise when securities analysts, investment bankers, and commercial bankers work in one organization; to the increasingly biased quality of information that flows to investment managers and the public from securities analysts who work for underwriters; to the inadequacy of nationwide and international regulations as banks become more aggressive investors and hundreds of billions of dollars of new kinds of securities are traded; to the loss of community and minority coverage as banks become enormous and national; and to the potential for fraud and deception of bank customers who are now buying riskier securities once limited for sale to brokerage firms.

The financial press has not completely ignored these issues. Editors can almost invariably point to a paragraph here and a quote there, in which such risks have at least been raised. But those risks have rarely been made the focus of important pieces. "There is much more glorification of business than suspicion today," says David Wessel, economics reporter for the *Wall Street Journal*. "This reflects society as a whole. Remember, at least until recently, Bill Gates was the true American hero." That is, of course, the point. The financial press, like all good journalism, should frequently go against the grain of conventional wisdom. Instead, it seems increasingly content to go with the grain today-- and, in doing so, is even proud of itself.

Some of the reasons for the inadequacy of reporting, including of course an increasingly competitive marketplace, fall well beyond the direct control of the reporters and editors who are often doing their best to report faithfully the events around them. But the trends in financial

journalism today towards credulity and too little vigilance are very much within the control of these editors and reporters.

The Recent Evolution of the Financial Media

The backslide in journalistic vigilance that I perceive is particularly troublesome because the resources available to financial journalism are large-- perhaps larger than ever before. Coverage of business news by the financial media has expanded dramatically in the last quarter century. The amount of space devoted to financial news in the nation's newspapers and magazines has risen significantly. The presence of business news on television and radio has expanded even more dramatically. At the same time, much of it has gotten significantly more sophisticated. The number of reporters and editors with financial and economic training has grown, as has the participation in the general media by experts from all fields. In general, better-qualified people are in financial journalism than ever before.

The quality and quantity of business and financial news have risen in tandem with growing audience interest. Public interest in business news began to increase in the early 1970s with the sharp, unexpected recession of 1974 and the high inflation that persisted after the quadrupling of oil prices. At the same time, the 1970s inflation, coupled with deregulation of interest rates, made a number of new investment products available -- beginning, most notably, with money market funds. These required the typical American to be much better-informed. In the early 1970s, Americans could no longer presume that their money was well-invested in a savings account at the local bank. Nor could more knowledgeable and well-heeled investors be satisfied simply by buying a triple-A bond or a handful of blue-chip stocks.

In the past ten to fifteen years, interest in business news has intensified. In 1982, the nation experienced the worst recession of the post-World War II period and unemployment rates reached 10 percent. Wages discounted for inflation continued to fall even as the economy recovered later in the decade. Average weekly wages, for example, fell from about $270 in 1980 to $260 in 1990. The distribution of income persistently widened as the income of higher-income workers rose more rapidly than the rest of the population. Meantime, stock prices rose handsomely after having been beaten down for a decade by high inflation and interest rates. Concern about the growing federal deficit became, according to national surveys, one of the leading political issues of the time.[7]

In sum, Americans are now deeply concerned about their jobs and their economy. The past twenty-five years of slow growth of Gross Domestic Product and productivity has taken its toll on Americans through historically high unemployment rates, falling wages for the average worker, and negligible gains in family income. According to the Census Bureau, median family income in 1997 stands no higher than its 1989 level, which in turn was only slightly higher than it was in 1980. One of the most dramatic consequences of slow economic growth is that both spouses must now work to make ends meet.

Economists almost take this for granted, as if it represents little change in the nature of life in America. Average Americans, however, must live with this reality everyday. At the same time, the costs of fundamental needs--notably housing, healthcare, and a college education--have risen dramatically. Controversy over how to measure the quality of such services does not alter

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[7]Wage, inflation, and unemployment data from *Economic Report of the President*, 1998. United States Government Printing Office, Washington, D.C.

this general picture of straitened circumstances for most Americans.[8] Similarly, social mobility and job security, though difficult to measure, have declined.

The dramatic rise in both the stock market and the bond market, and the proliferation of investment vehicles, are a second reason for the increased interest in financial news. Some 40 percent of America's personal financial assets are now equities compared to only 20 percent or so in 1990. In aggregate, stocks are of greater value than homes. Less widely reported, the distribution of these assets is highly skewed towards the wealthy. The median family has just $10,000 worth of financial assets, including investments in IRAs (but excluding pensions invested by employers).[9]

Even so, many Americans must now manage their own retirement funds, through IRAs and other tax-deferred vehicles, or through "defined contribution" plans offered by their employers who no longer guarantee retirement benefits. One of the more extreme manifestations of the public interest in investment is that an increasing number of people now trade intra-day over the Internet. (Academic studies suggest that when individual investors trade stock frequently, they perform significantly less well than the stock indexes.[10]) The immensely wealthy, looked on with suspicion as recently as the 1960s and the 1970s, are now widely respected. *Forbes'* list of the nation's 400 richest people receives national coverage. Among the nation's most admired and glamorous men are Bill Gates, Warren Buffett, and George Soros.

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[8]In my view, and in the view of many economists, the quality issues raised by some economists, who claim that the Consumer Price Index is overstated, are no greater than they were before 1973. If any greater, they are only marginally so. See Jeff Madrick, "The Cost of Living: A New Myth," *New York Review of Books,* Mar. 6, 1997,.

[9]Recent unpublished research of Ed Wolff, New York University.

[10]Terence Odean and Brad M. Barber, cited in "Merrill Says Online Trading is Bad for Investors," *Wall Street Journal*, September 23, 1998.

All this has resulted in fertile ground for the development of financial journalism. Rarely these days does a newscast on radio or television go by without an update of the Dow Jones industrials average. These updates now often also include the day's gains or losses for the benchmark Treasury bond. When I was a regular television reporter only five years ago, the long bond was considered too technical to mention. Now even on general news broadcasts we hear about housing starts and auto sales, monthly personal income and savings rates, corporate profits and wages. The only economic data that were regularly included in general news broadcasts a decade ago were the unemployment rate, inflation, and occasionally the price of gold. Major corporate mergers are now included among the day's top stories in general newscasts and often receive front-page treatment by the newspapers. Before Paul Volcker, it is doubtful many people knew who the Federal Reserve chairman was, or certainly what he did. Today, Alan Greenspan is as visible in the news as any politician or diplomat save the President.

Many of us forget that even the *New York Times* did not have a separate financial section (Business Day) until 1978. The business staff of the *Times* has risen by roughly 30 to 40 percent over these years. In the early 1980s, the Associated Press had only four reporters on its business staff; today it has 22. Personal finance magazines have especially proliferated. When I was a columnist at *Money* magazine in the early 1970s, it was a struggling and even questionable enterprise. Now, with two million subscribers (and an estimated eight million readers), it is one of Time Warner's most successful publications.

Television dedicated to finance has become a commonplace. In 1985, FNN, "Business Times" on ESPN, and a handful of other programs at most reached a couple hundred thousand people a day. Now, at 6:30 P.M., CNBC, CNN and CNN FN, Public Broadcasting's "Nightly Business Report," and Bloomberg's syndicated news services may well reach two million or so

viewers, excluding those who watch at their offices. Over the week, a popular program such as "Nightly Business Report" claims 3.25 million unduplicated viewers. The growth of the Bloomberg financial news services, which includes a news wire, a twenty-four-hour business news service, and other news outlets, may be most representative of these changes. Started in 1990 with one employee, it now has nearly 700 reporters and editors, many of them assigned to regular beats such as the markets and banking.[11]

Understanding the New Financial Environment

"We probably don't do enough about how the ankle bone is attached to the foot bone," says *Wall Street Journal* reporter David Wessel. This may well be a long-standing complaint of financial journalism in America, but my reading of recent coverage of the industry reinforces Wessel's implication that the financial media rarely today deal with basics of how the financial services industry works. The wave of bank mergers that were announced last spring provides a laboratory in which to analyze coverage by the financial media. These large mergers included the Travelers Group with Citicorp, BankAmerica with NationsBank and BancOne with First Chicago. Here in a single month was the kind of climactic news event that could provide the rationale for investigating such issues in-depth. (And I found, during this brief period, several fine and ambitious pieces.)

But when the news is presented on such an episodic basis, there is little time for reflection, and less space for the details that allow for greater public understanding. Financial journalism is so intent on capturing the reader's attention, not belaboring his or her patience, and taking

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[11] Audience and staff size based on interviews with representatives of these institutions.

advantage of the sudden and (it is assumed) passing interest in the subject of the day, that even when it levies all its resources on the subject, it seems able to touch all the bases only by lingering briefly on single issues-- too briefly to bring them home to the reader. For example, when the Travelers Group and Citibank merger was announced in the spring of 19988, *Business Week* touched most of the key issues in a thoughtful and comprehensive cover story, entitled "Trillion Dollar Banks".[12] I think it was probably the best of the general analyses of the major events. But it also proved to be a classic example of the sweeping story with a catchy lead that characterizes modern business journalism. It did not analyze any single point in depth. As a result, the reader was left short-changed on precisely the details that are necessary for a true grasp of the subject.

In fact, *Business Week's* lead -- the first few paragraphs in which the writers try to capture the reader's interest -- actually distracts attention from the more serious points of the story. It is the lead that sticks most with the reader, as is drilled into *Business Week* writers (I am an alumnus). "Trillion dollar banks," blared the headline on the cover, and it was repeated as the first line of the story. Though I am dubious that the bankers really could care, the magazine insisted that they "are musing about the 'T' word." Passing the trillion-dollar mark has no significance in itself, just as the Dow Jones industrials average's passing 10,000 has no greater significance than passing 9,999. Was it impossible to do a piece that focused centrally on the serious risks of such mergers, such as how difficult such diverse institutions are to manage? Couldn't the headline have been, "Can These Giants Really Be Managed?" Perhaps some other publication did just that, but in my reading I did not find one important article devoted essentially

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[12] Op. cit., "Trillion Dollar Banks," Business Week, April 27, 1998.

to this subject. *Business Week* is known for taking stands on such subjects. It is a vociferous advocate of the so-called "new economy," for example. Instead, by waiting for big news, and doing a sweeping , all-inclusive story, with a catchy lead, dilution of the important issues becomes unavoidable.

As for the basics of the business, there is simply no time or patience. Consider the following sentence, a variation of which occurred in most other articles I read on last April's mergers. "The emerging megabanks...," intoned *Business Week*, "will invest heavily in technology that generates efficiencies and allows them to mine data about customers all over the nation--and even overseas--to offer them new products and services." Just how that will work the reader will not discover in this *Business Week* piece, even though convincing detail is vitally important on just such points, in my view. I single *Business Week* out in part because it did probably the best, most comprehensive analyses of the subject. I can say with confidence that no American financial publication provides enough detail.

More general interest publications, meanwhile, have greater problems. No such publication provided more ambitious coverage of the mergers last spring than *Time*. The magazine devoted nine pages to "The Big Bank Theory and What It Says About the Future of Money." Admirably *Time* touched on most of the pertinent issues of the subject. But again such sweep was dilutive. To retain readers' attention, complicated issues were flattened out or jazzed up, and I doubt many readers truly digested much of the information. *Time's* "breathless" prose has long been criticized. But most journalism has taken a few steps in the same direction. For all the increased sophistication of today's financial media, business news (it is still widely assumed) must be heavily sweetened to be palatable to the public.

Here is how *Time* introduces the "Big Bank" subject:

> Last week (Hugh) McColl announced the boldest deal yet: a plan to merge NationsBank with California-based BankAmerica to create a golden Godzilla with deposits of $346 billion. On Wall Street, where financial stocks have sizzled this year, the marriage was greeted with huge plaudits. On Main Street, average customers (the combined bank will have millions of them) worried about what this would mean for their accounts. And in Charlotte? McColl wasn't talking, having unloaded the big news in New York City early in the week. But from his 50th-floor office, he was surely reflecting on the inescapable truth and beauty of the First Law of Godzilla: Size does matter.[13]

In fact, however, this reader found out little about why or whether size does truly matter. Nor did the article answer the perceptive questions raised on its cover: "Are banks really necessary? Will Microsoft control it all?"

Consider also the stylized way *Time* treated electronic banking.

> Enter electronic cash. The idea of digital money is simple enough: instead of storing value on paper, find a way to value it on a string of digits that is more portable and (most important) smarter. Smart money? Well, yes. Because digital cash is endlessly mutable you can control it much more precisely than paper money.

But can money be smart? Some may find such a question a semantic quibble. But electronic money isn't smart, except to ad copywriters. It is simply easier to handle and manipulate. Using such copywriter terminology, *Time* is able to glamorize the concept. This may draw readers on, but it doesn't mean they will better understand the concept. Electronic money may make it easier to send money to one's daughter, balance the checkbook, seek the highest yields available anywhere in the world for a specific period of time. But this is not inherently as magical as *Time* makes it sound. If one were to explain the pure basics of this business, of course, the risk is to deglamorize or demystify the subject. Despite the thirst for financial and economic knowledge, and the increased expertise of journalistic staffs, mystification

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[13]"The Big Bank Theory," *Time*, April 27, 1998.

and glamorization seem to be ever bigger objectives. Electronic money is both less and more than the descriptions of it that I have seen in much of the press.

Time's story, as I mentioned, should be commended for its breadth and ambition. It is after all a general interest magazine, and its business coverage must compete directly with the glamor of Hollywood and the scandals of Washington. I don't think any other story of this period in a general interest publication attempted to cover as much ground, and hence for *Time's* staff this is reason for pride. But so many issues were handled breezily and in a paragraph or two, it is not at all obvious than any single point of importance was adequately considered.

For all the increase in technical expertise in journalism, of course, there may still not be enough to go around. Says Robert Magnuson, the former business editor of the *Los Angeles Times* (and now a senior vice president), "A lot of this is too arcane for many reporters. We only had a few who understood it. And when you have so much to do, you don't always get to the third or fourth item on the agenda, which this subject often is." Compounding this is a second problem: the constant requirement to simplify and shorten in the American press requires considerable ability. Too often, simplification simply means over-generalization, leaving the key steps in the process out. To *New York Times* reporter Geraldine Fabrikant, "Everything is more complicated now. You have to find out yourself. And you can't expect to get as much help from editors as you once did. They can't know everything." To this, David Wessel of the *Journal* raises a third concern about covering financial deregulation. It is too ambiguous, without simple rights and wrongs, goods or bads. "It is easier to cover stories that are black and white," he says. "For example, it took a long time to write about airline deregulation. We still don't know whether it is good or bad. And the financial markets are even more intangible."

Given the press's need to attract and retain the audience's attention, such constraints have left financial deregulation and banking consolidation in a journalistic limbo. "Entertainment value is so important these days," says Tim Metz, who was a reporter for the *Wall Street Journal* for 23 years. "Now breezy feature stories are on the front page. More serious stories are in the back." Few if any American publications will risk devoting space to the sort of long industry surveys *The Economist* does. One can quarrel with the sometimes academic and long-winded nature of these tomes, as well as with *The Economist's* often ideological perspective. But the magazine will take the time and the risk to explain a subject clearly, slowly, and at length, and thereby provides an invaluable service.

The consequences of such tendencies in the press, according to former Undersecretary of Commerce for Economic Affairs, Everett Ehrlich, are that financial journalism doesn't adequately address central business issues the way it once did. It is "less parochial " than it used to be, says Ehrlich, which is not good. He thinks the press is not providing the public with a clear explanation of the evolution of the banking and financial services industries.

In Ehrlich's view, for example, there are three kinds of bank mergers. The first is the merger of two different financial institutions such as the Travelers Group and Citicorp designed to create a full provider of services from insurance to equities to banking. The second kind is the merger of two regional banks such as BancOne and First Chicago meant to derive economies of scale out of the combination of the markets of two regional banks. The third is the merger of, say, Mellon Bank with Bank of New York, to become a leading trust company. "To read the financial press or watch the TV news, you would never know there are these kinds of distinctions," says Ehrlich. "They generally bunch them all together."

One other reason for this neglect of basic structural issues in the press is that serious and abstract stories have been usurped by the space devoted to personal finance. All the reporters and editors I spoke to agree that personal finance comprises a much higher proportion of what they cover today. But this tendency towards emphasizing personal finance to the neglect of other coverage is most pronounced on television financial news. This was not always the case.

The business news reported on television, for example, was far broader at the outset of the 1980s than it is today. Programs such as "Business Times on ESPN," where I was executive editor, reported in the mid-1980s on labor, management, government policy, social issues, and science and technology (apart from hot stocks). Today, television financial news is almost entirely weighted towards investment information served up in short interviews with the same time constraints as general network TV news. CNBC is virtually the Dow Jones newswire with live bodies and talking heads added. Rarely does one see a major--or even a modest-length--piece on a substantive business issue.

It is easy to shrug one's shoulders at this, given the lowest-common-denominator economics of television. But I think these habits have to a degree infected print journalism as well. Of course, publications are increasingly seeking to maximize profits and this requires them to seek the broadest audiences. But there is also little doubt that television has increased the appetite for personal finance, and a breezy non-demanding kind of reporting as well.

I also suspect that TV's slack standards for sources are invading print. Some TV commentators are highly knowledgeable. Many on the staff of CNBC are experienced and savvy, for example. But TV's rapid pace and breaking news formats don't make adequate room for serious analysis. The traders, analysts and economists who are interviewed are presented as equals-- no matter what their training, experience and knowledge. Moreover, rarely are two or

three sides of the question given full treatment. Nothing alarms me as much as watching stock analysts on Bloomberg news give their latest picks in short sound bites, with no interviewer there to interject even a “But what if?” When I started out in business journalism the 1970s, we were extraordinarily careful about doing pieces in which individual stocks were recommended for investment. Nowadays, after a long market rise, those precautions have been thrown to the prevailing bullish winds. Needless to say, this is hardly journalism, at least as I learned the craft.

In general, so much reporting with the stock market’s perspective foremost in mind has also had considerable influence over the way more basic business issues are handled. When I was a *Business Week* editor in the 1970s, reporters were not always sophisticated enough to check the stock price of a company being written about to see how investors were analyzing any relevant news. Today, it is very much the opposite. The stock market reaction seems to be the primary criterion by which to make a judgment about whether a business (or even a political) decision is good or bad. “These bank mergers are rarely challenged by the press,” says former Commerce Undersecretary Ehrlich. “The stock market blesses them. Today, if the market says it’s okay, it’s okay.”

Risk in the 13th Paragraph.

In financial journalism, as in all journalism, emphasis is what matters most. In the *Time* cover story I discussed earlier, risks weren't brought up until the 13th paragraph --and then only in fairly abstract ways. "It's definitely new, it's revolutionary--and we should be scared as hell," *Time* quoted one banker as warning, but what scared him the reader never really learns. In the *Business Week* cover story cited above, the obvious and well-documented risks of mergers, including rising fees to customers and the difficulties of managing such diverse financial conglomerates, were treated with seriousness and in some detail, but essentially in the second half of the story. The article even ended with a local banker's suggesting he will benefit as the national megabanks neglect his customers. There is good reason to believe his customers may well be neglected by huge nationwide institutions, but less reason to be confident that he will be able to compete sufficiently with the new national powerhouses to serve these customized needs. This issue is worth exploring higher in the story.

The *New York Times* did a "full-court-press" coverage of the financial merger wave last spring in the way that only a publication with its resources can. The extent of the coverage was impressive-- and there were at least three columns over this period by reporters Floyd Norris, Peter Passell and Diana Henriques that raised doubts about the values of these mergers. But my impression is that the risks cited in these columns ran a distant second in the reader's mind to the main stories about the necessity of, and sheer market excitement generated by, these mergers.

A story done at the same time by the *Los Angeles Times* was broadly typical of the press coverage of events. In terms of balance, it was actually more skeptical of the motivation of these mergers than many other stories.[14] (The reporter, James Peltz was one of the few to point out,

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[14]"Marriage Pressures Rivals to Quicken Pace of Courtships," *Los Angeles Times*, April 7, 1998.

for example, that most of these banks were probably paying stiff premiums to acquire brokerage and investment banking operations.) Yet, once again, Peltz's skepticism ended up in the last half of a 1,000-word article.

There are several serious risks to which I believe the media can devote much more attention. Among the foremost is whether these new financial conglomerates can be managed successfully. Richard Herring, a Wharton school finance professor (and associate dean), is one of those observers who thinks the media have been too critical of the size of newly-merged financial institutions. Like many others, he points out that the market share of these new combinations remains relatively small. (In fact, as noted, in most publications I have read there is relatively little criticism of size.) But Herring also believes that the economies of scale these merged institutions claim are suspect. "It's hard to find a successful financial conglomerate," he says. "I worry about diseconomies of scale. This is not discussed very much."

To be sure, most of the publications do consequently wonder aloud whether so-called one-stop financial shopping really makes sense. One or two of the stories I have read even correctly pointed out that the mix of investment banking, commercial banking and insurance in European banks has not produced high returns. But such points are rarely if ever central to these stories. Despite the strong historical case against the viability of these mergers (Sears and Dean Witter, Wells Fargo's troubled acquisition of First Interstate Bancorp), I never found a publication that strongly doubted whether these merged institutions would be effectively managed until enormous losses were reported in the wake of the near-collapse of Long-Term Capital Management. (A few years ago, *Business Week* did a major story about the myths of corporate synergy in general.)

More typically, banking analysts are sometimes quoted as insisting that this time around it is different. "Although these mergers are building on an old theory," writes James Peltz in the *Los*

Angles Times article mentioned above, “they have a better chance of working today, analysts said.” What is the evidence for this? “The willingness of two companies as big as Citicorp and Travelers to wed illustrates the point,” Peltz’s analyst says, in a blatant example of circular reasoning that his editors nonetheless accepted without challenge.

Another area in which the financial press’s negligible coverage suggests naiveté at best and imprudence at worst involves the personal motivations of the executives who undertake these mergers. To the CEOs and other top executives, of course, these deals are typically a personal financial bonanza. What enables them to undertake the mergers are the high prices of their own stocks: they can offer shares--not cash or debt--to make the purchase. On the other hand, they also must pay unusually high prices. To Peltz’s credit, as I noted, he pointed this out in his story. But rarely does any such skepticism extend beyond a few short sentences in a story. Put yourself in the senior management’s place: of course you want a merger. You’ll make a pot of gold, and your subordinates want it as well. (Years ago, Harold Geneen, the aggressive conglomerateur who built ITT, told me that all organizations want to grow because: “The general manager wants to be vice president, the vice president wants to be senior vice president.”) That there is power and ambition and no small degree of greed at work here almost systematically escapes the financial press most of the time.

The best coverage of these managerial issues occurs when specific mergers fail. In a recent front-page article, *Wall Street Journal* reporters documented the difficulties that KeyCorp is now having as the merged entity between two financial institutions, Society Corp. of Cleveland and KeyCorp of Albany, New York.[15] “The idea,” wrote the *Journal*, “was to create a

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[15]Matt Murray, “KeyCorp Fails to Prove It Can Unlock Promise of a Merger of Equals,” *Wall Street Journal.*.

powerhouse by funneling Society's wealth of products, such as trusts and investment management, through the new KeyCorp's 1300 branches, which stretched from Maine to Alaska." But instead the merger was beset by rising costs, clashes in business culture, and a restructuring that had taken longer than expected. "I'd have to tell you our eyes were bigger than our stomach," the *Journal* quoted the new president as admitting.

To the *Journal's* managing editor, Paul Steiger, such *ex post facto* coverage is the best way to get the point across. The *Journal*, for example, made clear high in the story that the KeyCorp president's words, "are worth reflection now, when a lot of banks are engaged in delicate mergers of equals." As the *Journal* made clear, KeyCorp's rationale for the now-troubled merger sounded much like The Travelers and Citicorp's claims, of course. One can hardly argue with his approach when Steiger's staff produces such stories time after time-- this is financial journalism at its best. Nevertheless, can't the point be hit even harder in a more general story, or with a larger take-out or even a series of articles that question many of the assumptions about financial conglomerates? "We can't do a story on page one just because a trend is heading in a certain direction," insists Steiger. "It actually has to be getting there."

This is a strong philosophical point for Steiger. Time and again, the *Journal* has come through with the micro-stories about individual institutions or transactions that emphatically and unambiguously suggest the larger issues, and occasionally so have other publications. But Steiger's point is one that I think should be considered more carefully. I have to wonder whether these are the same criteria that are applied to other kinds of stories, such as homelessness or the failure of welfare or the threat of terrorism. At what point do we know that there are too many homeless, that welfare has failed, that chemical warfare could occur? When in journalism does a trend actually "get there?" And when should it?

One particularly neglected topic in the financial media is whether America really needs, or should have, European-style banks. Wharton's Richard Herring and much of academia favor the effective dismantling of Glass-Steagall. Professor Herring thinks the European system functions well and sees little potential conflict of interest in such situations. But Glass Steagall, if controversial, was enacted for a reason. A financial institution, it has long been argued, should not be able to prop up its investment banking client by lending it inexpensive money from the commercial banking side of its operation. "I think there are lots of potential conflicts of interest," admits *Business Week's* Chris Welles, who doesn't believe the financial press has analyzed them well.

Generally, the financial media have accepted the arguments of most of academia. Is there no middle ground? One irony of this point of view arises when the incestuous nature of European banks (and of course Asian financial institutions) is blamed for the slow-growing inflexible economies on the Continent and the financial crises in East Asia. Cronyism clearly runs higher in such institutions. Crusty managements are allowed to become ingrown. The banks often supply all the capital these companies need. Shareholder rights are only now being asserted to any degree in Europe. "I am in favor of deregulation," says former Commerce Undersecretary Ehrlich. "But I don't want us to end up with the German situation. It's too incestuous and there's too little discussion in the press of this."

And what of the risks of one-stop shopping? Jason Zweig, mutual funds columnist for *Money* magazine, is an expert on small investors. He says he is deeply concerned about the possibilities for deception in one-stop shopping at the local bank branch. "Of all the consumer protection issues, what worries me the most is when banks act as brokers," he says. "We know that bank customers have a lot of faith in their banks. They do not necessarily understand that

banks can sell risky investments. And there is a lot of potential for abuse. It's a real 'consumer beware situation.' I bank at Citibank and I shudder when I think what Sandy Weill (CEO of Travelers) will try to shake out of me." Zweig reminds us that a few years ago in Florida, a lot of elderly bank customers were deceived into buying risky securities simply because they were dealing with a bank.

What the financial press has covered with some intensity and helped bring to national attention is the possibility that fees for banking services, including for ATMs, may rise as the industry becomes more concentrated. Why does this particular risk readily attract media coverage? For one thing, it directly affects a wide range of consumers and is easy to understand. ATM fees have gone up around the country as have fees for checking accounts and other services such as stop-payments on checks. But at least as important from a news-gathering point of view, consumer groups and the Federal Reserve compile the evidence and bring it to the press, so it requires no original investigation on the part of reporters.

. On the other hand, data are also gathered about the survival of local bank branches after mergers, yet the press inexplicably neglects this controversial subject. Will full-service national banks maintain as many branches in local communities, and especially in poor and minority communities? The Federal Reserve has found that branches in inner-city neighborhoods have been reduced.[16] While several articles mentioned this as a risk, none that I found made it a major theme. To me, this is particularly disturbing because the data are available, even if the issues are not always unambiguous.

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[16]Steven A. Holmes, "Huge Bank Mergers Worry Consumer Groups," *New York Times*, April, 18, 1998

Unfortunately, this may reflect a certain fashionable callousness towards the plight of the other half of America that continues to do poorly (in my interpretation of the data, *more* than half). As a local television reporter in the 1980s, I remember well how difficult it was to get a story on the air about, for example, childhood poverty during the allegedly prosperous years of the Reagan Administration. This may well be occurring again. In fact, it is highly possible, and in accordance with economic theory, that large, mass- distribution industries may neglect smaller niche markets. Small local banks may now talk bravely about filling the areas that the big banks neglect. But the history of the mom-and-pop store in America is not a robust one. When it comes to banking, the loss of community representation, especially in poorer localities, is surely a risk the financial media should explore in depth and with conviction. Consider the recent experience of Health Maintenance Organizations and their narrowing coverage of the healthcare population.

The Credibility of Sources

Using Wall Street analysts as authoritative experts has always been controversial in financial journalism: analysts and economists -- as employees of securities firms-- have a decided vested interest in the direction of the economy, the future of corporate profits, the fortunes of individual stocks, and the outcomes of various investment strategies. They are simply an integral part of the business of selling stocks. The pressure to paint the most beneficial picture to the outside world cannot be ignored.

This pressure is not new, of course. I still vividly recall, shortly after I started working in business journalism in the 1970s, that Gary Shilling, then an economist for Merrill Lynch, was heavily pressured to resign when he was one of the few economists in the nation who forecast

recession. The worst post-war recession to that point then ensued, but Shilling was soon out looking for a job. (Merrill Lynch insisted that he was let go for other reasons.)

In recent years, the problem has been magnified. As Chris Welles of *Business Week* points out, Wall Street "experts" have themselves become more promotional than ever before, as the financial community as a whole has grown much more sophisticated towards the press than it was twenty or even ten years ago. Where once even large securities firms had only one or two public relations employees, they now have full staffs numering in the dozens. Analysts and economists are highly sensitive to the company-wide ramifications of their public pronouncements. "The degree of promotion is extraordinary," says Welles. "If it weren't for academics--and even many of them have consulting contracts--we would have a hard time finding anyone who can give you a dispassionate take on things. It's amazing." There is a significant amount of academic evidence that demonstrates an optimistic bias among analysts, especially among those who research their firm's own investment banking clients.[17] One of the results of consolidation in the banking industry will be an even further reduction of analysts and a drying up of sources of information. " Dozens of analysts who follow smaller firms are being fired," says Jason Zweig of *Money*. "As a result, analysts are following fewer and bigger firms."

For all the agreement among reporters and editors that Wall Street's analytical community is increasingly promotional and more conflicted, little appears in the press on the subject. "I think the press hesitates to criticize the analytical community because as a general rule they are their sources," says Zweig. Notable exceptions have been several stories done by the *Wall Street*

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[17]For a general round-up of academic studies, and some of the latest research, see Gunter Loffler, "Biases in analyst forecasts: cognitive, strategic or second-best?" *International Journal of Forecasting*, 14 (1998). See also, Carl R, Chen and Thomas L. Steiner, "Optimism Biases Among Brokerage and Non-brokerage Firms," *Financial Management*, Spring 1998.

Journal about analysts who have been censored by their firms. One such story focused on the long-time movie company analyst, David Londoner of Schroeder & Co., who found it difficult to make a low-earnings forecast for one of his firms' investment banking clients. The story went on to quote others in the financial industry about the inherent bias among analysts in the business. For example, one company that tracks stock analysts' recommendations found that only one percent of them were "sells."[18]

The most credulous treatment of financial sources is inevitably on television news, of course. A full-time news channel such as CNBC requires a great deal of material, and consequently goes through interviewees by the dozens every day. Yet, these sources are all more or less treated as "authorities" of equal import. Similarly, some academic and Washington policy consultants are undeservedly exalted by the press, especially if they are affiliated with the half-dozen or so most prominent universities or think tanks in the nation. Readers of the financial press must often presume that, given the authorities cited most often, there is a scientifically based near-unanimity among the economics profession on all kind of matters, from free trade to why wages are falling to income inequality to the benefits of a balanced federal budget. In fact, there is more heterodoxy among economists than is portrayed.

Such uncritical acceptance of a single set of economic views has quite obviously seeped into reporting on the deregulation of financial services. Citing from a select list of banking analysts and economists, reporters have come to portray deregulation as almost universally good and to understate risks, as I've noted above. I hesitate to single out any particular stories because this is such a widespread condition of the contemporary financial media, but one *New York Times*

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[18]Michael Siconolfi, "Mr. Londoner's Daily Battle," *The Wall Street Journal*, May 18, 1998.

piece clearly reflects this unwitting bias. The story is about how bank consolidations may result in higher fees for checking and other services. Those who were concerned about rising fees were characterized high in the story as "advocates, who tend to represent consumer groups with a markedly liberal ideology..." The story counters their argument by citing one economist, who says, "I think they're missing the boat." This critic, it turns out, is an economics professor from the University of Chicago, a school well-known within the profession for its conservative views. But unlike those "liberals" with whom he disagreed, he was nowhere described by the reporter as a conservative.[19]

Waiting for the Crisis

Nothing quite crystallizes the danger in the all-too-ready acceptance of economic scripture on the part of today's financial media as the Asian financial crisis. Economists from Europe and South America, as well as some within the United States, had long warned that unregulated portfolio capital flows would result in over-speculation and instability. Even some countries that favored market-style reforms (notably Chile but also China and India) had maintained controls on such capital flows. But a large body of economic opinion in the U.S. favored no controls at all. The financial media repeatedly quoted sources from Wall Street to this effect, even though it was Wall Street that clearly benefited the most from these unregulated markets. Up to the moment of the crisis, in fact, most market participants (as Christopher Rude's study documents) were fully convinced that the liberalization of these markets was highly desired. There was almost no discussion in the press of Chile-style capital controls, or proposals such as Nobel laureate James

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[19]"Huge Bank Mergers Worry Consumer Groups," The New York Times, April 19, 1998.

Tobin's to levy taxes on financial trading in order to inhibit speculation. When he was a Harvard ecoomics professor, Lawrence Summers once supported arguments such as Tobin's,. a fact rarely mentioned in the press. Now the Deputy Secretary of the Treasury, he has since disavowed such views. So, apparently, has much of the press.

One of the earliest mentions of capital controls appeared in the *New York Times,* in a story by Louis Uchitelle in December, 1997. Uchitelle followed up with an inside-page story from the World Economic Forum in Davos on the same subject in February. In May, 1998, in a front-business page profile on Joseph Stiglitz, chief economist of the World Bank, Uchitelle again brought up the subject. Stiglitz said that capital controls are necessary at times, which put him at odds with the U.S. Treasury's viewpoint.[20] Even though the Asian crisis was by this point quite a few months old, and the failures of IMF policies apparent, such stories were still rare in financial publications.

Only in mid-September did the financial media begin to become critical of IMF policies and even to entertain the ideas of economists who believed capital controls could be beneficial But the lead was taken, not by the press, but by several well-known economists from prominent institutions. First, Jeffrey Sachs of Harvard severely criticized the IMF rescue packages in East Asia. Then, Stiglitz let it be known that capital controls are not necessarily the universal anathema that they had been taken to be. Finally, Paul Krugman, the prolific MIT economist, wrote a piece in *Fortune* in August proclaiming the value of exchange controls.

When Malaysia finally invoked exchange controls, the issue at last became front-page material. A story in the *Times' News of the Week in Review* on September 12th was headlined,

"The Invisible Hand's New Strong Arm." The reporter, David Sanger, went on to write, "Suddenly, many believe that the best way to practice capitalism is to make sure that once the capital pours in it can't pour out all at once." Sanger then quoted Morgan Stanley's Asian operations chief as saying, "It's only a bit of an overstatement to say that the free-market-IMF-Bob Rubin-and-Larry Summers model is in shambles."

This was an extraordinary about-face in the thinking of market participants, and one in which the press was far behind.

In ensuing weeks, many stories, including a fine four-part series about the limitations of markets by the *Wall Street Journal*, at last made the front pages. As one reporter for a major newspaper noted, "This crisis really has people scared here that the markets aren't working." But if so, the financial media should ask themselves why they weren't better prepared? It was not for lack of economists and other experts who might have given them other perspectives. They were out there trying to get their voices heard. Robert Wade, a prominent political scientist at Brown, was one of them. Ricardo Ffrench-Davis, a well-known international economist in Chile, was another. Economists Dani Rodrik of Harvard's Kennedy School and Ajit Sangh of Cambridge University were still others. Jagdish Bhagwati, a stalwart of mainstream economics from Columbia University, had serious reservations about unlimited capital flows. The same is now true about free-market reforms in Russia, but until the collapse came, iconoclastic voices

[20]"Easy Money: Borrowing Asia's Troubles," December 29, 1997. "IMF May Be Close to Lending Curb Idea," *The New York Times*, February 2, 1998. "The Economics of Intervention: A Prominent But Impolitic Theorist Questions the Worship of Free Markets," *The New York Times*, May 31, 1998.

like Marshall Goldman's at Harvard or Padma Desai's at Columbia could not be heard over the ideological din.[21]

The degree of risk banks have been taking on by investing in derivatives and emerging markets has also been seriously underreported in the press. Now, with many American banks rolling up losses of hundreds of millions of dollars in the wake of the East Asian and Russian crises, the financial press is at last turning its attention to the subject. "A tremendous amount of financial activity goes on that isn't captured by the numbers," says Chris Welles. Acting as dealers in derivatives, for example, can expose banks to risk without potential liabilities appearing on the balance sheet. Several studies suggest that banks in general have taken on increased risk, but without a crisis, the financial press has rarely explored the potential consequences.[22] The failure of Long-Term Capital Management has also suddenly made clear how banks can be exposed to the risky and largely unregulated derivatives market through seemingly safe business loans.

The question of new regulations for a changed time is a fascinating one. Who should control America's newly deregulated financial institutions. The Federal Reserve? The Comptroller of the Currency? The Securities and Exchange Commission? What are the role of the states? The best coverage I have seen on the issue has been done by *Business Week*. In the

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[21]An analogous situation to that of East Asia may now be unfolding in the public debate over Social Security reform. Only a crisis seems to justify front-page exposure and analysis of potential risks of privatizing Social Security. Until then, these risks have been buried in technical stories that in my view have given more credibility to proponents of privatization than to critics. Again, the *Wall Street Journal* is a leader. The shift in Britain to providing an option for workers to switch to private investment of pensions has resulted in an enormous scandal. The *Wall Street Journal* headline reads, "Social Security Switch in U.K. Is Disastrous; A Caution to the U.S.?"[21] Falling markets in Chile are now also raising questions about the privatized Social Security scheme there. Until now, the Chilean experience has been held up as a model for the American system.

"Trillion Dollar Bank" cover story discussed earlier, for example, reporter Dean Foust laid some of these issues out clearly. Among the newer ideas, it should come as no surprise, are market-based regulations that would subject banks to greater risk of loss. But there may also be added risks to such an approach that are worthy of exploration and that may require sources outside the economic mainstream. How does one bring attention to such seemingly arcane issues? By regularly reporting them, for one thing, even though they may be dry and technical. And by occasionally bringing such stories front and center rather than burying them deep in the back pages or making them sidebars to bigger, more sweeping, and less focused stories.

Conclusion

I have generally chosen examples for this study from the best of America's financial publications. Because they are the best, the inadequacies in the coverage of financial deregulation and consolidation are all the more disturbing. As noted, some of these inadequacies are the inevitable results of intensifying competition for the reader's attention, not only with other departments within the publication -- from politics to dining out-- but with other media. In a time when celebrity journalism has grown faster than any other category, we should be grateful perhaps that serious financial journalism has retained as important a place in our publications as it has. But it has done so in part by focusing much of its attention and resources on personal finance at the expense of fundamental business and economic issues.

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[22] See "Financial Derivatives: Action Needed to Protect the Financial System," Government Accounting Office, May 1994. Also, Franklin R. Edwards and Frederic S. Michkin, "The Decline of Traditional Banking:

Competitive pressure aside, my greatest concern is about what I see as a slow, but increasingly rooted change in journalistic philosophy. Once, financial journalism went against the grain of the establishment, as noted earlier; now, all too often, it goes with the grain. Once, I believe, it was a leader in taking on the major issues of the day; now, too often it is a follower. Some say this is because journalists are much better compensated than they once were. Others say that ever since the glamorous days of Nixon and Watergate, journalism has attracted more of the sons and daughters of the prosperous to the profession. Still others say that the publications have become so profit-conscious in a relentlessly competitive economy that the skeptical, outsider culture that had always given journalism its edge has been replaced by a market and business culture.

All these factors may contribute. But the coverage of financial deregulation and bank consolidation provides a window on the evolution of financial journalism that in many regards is more deeply disturbing. For a short golden period, business issues that were once relegated to the dark side of the moon, and considered too complex for attention in the press, were being addressed in the nation's best publications. Now, the all-important basics of business are in the back pages, the breezy and entertaining up front. "A complicated story like Microsoft's antitrust situations only gets a lot of good coverage because it's sexier," says the *Wall Street Journal's* David Wessel.

When a crisis does develop, there is little doubt that the financial media will do an energetic and sincere job. More journalists have the skills to look through SEC filings than ever before, but fewer seem to be going beyond this. Former business journalist Tim Metz says, "It seem to me

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Implications for Financial Stability and Regulatory Policy," FRBNY July 1995.

there is a lot less slogging for original stories about wrong-doing or bad management. Now the media often waits for a government investigation or a lawsuit."

As times become more complex, financial journalism must become still more sophisticated. No group of professionals is as self-critical as journalists. Many tell me they recognize the limitations of current coverage. But the pendulum has decidedly swung too far towards the acceptance of the status quo. The journalists themselves don't all seem to recognize this. Once more of them do, I have little doubt that many in this self-chastising profession will seek to correct the course. Whether the economic environment and the competitive battle for the reader's and viewer's attention will allow them to do so is another matter altogether.

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