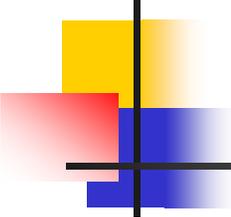


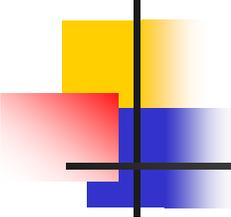
The press and the economic crisis by Anya Schiffrin

Hanoi March 2009



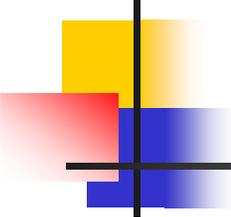
Intro

- Who I am
- My website
- Background on US crisis
- Sub primes, non recourse mortgage
- How did it get so big? Leverage
- Interesting time for business journalists. This is our Watergate.
- Very uncertain, not clear what are solutions



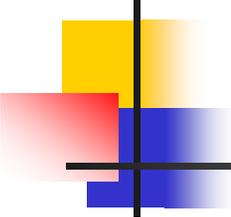
The press is blamed

- VN crisis changed everything for me. I saw how press had difficulty coping with covering an econ crisis. Lack of information/knowledge. Isolated.
 - After crises, the press does some "soul-searching"
 - Internet bubble
 - Enron
 - In US it is starting
 - Mother Jones
 - The Daily Audit
 - Jon Stewart
 - The Daily Deal
 - CPJ
- Pressure from readers, FT headlines etc.



Press Missed the Story

- Many reasons why
- General Reasons
 - highly technical, lack of training
 - dependence on sources
 - business journalists naturally cheerlead

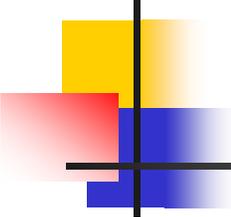


Job losses

10,000 job losses at US newspapers in 2009 (may 2009 estimates)

13,000 print jobs lost since 2007 [March 2009 estimates]

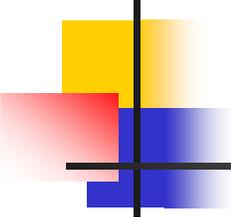
- Websites track layoffs
- Much higher than previous estimates....
- We calculate the industry has lost a net of 3,000 print jobs from 2000 through 2006. With all appropriate caveats, we estimate as a reasonable guess for 2007 that somewhere in the neighborhood of 1,000 to 1,500 print jobs will be lost, with a gain of perhaps half that number added to the online workforce. In [PEJ's 2007 survey of journalists](#), 48% of national journalists and 54% of local journalists say the reporting and editorial staffs are smaller than three years ago.
- In magazines there were job losses as well, at least among the general-interest news magazines. Time reduced staff by 20%, to fewer than 190, a new low, and shifted resources to the Web. That included shuttering four national bureaus, and by mid-year, Newsweek for the first time claimed more people in bureaus than Time, 46 vs. 31. Staffing at Newsweek over all appeared to remain stable. On the other hand, U.S. News & World Report saw its editorial staff fall to 168, down by 20 from 2006, a drop of about 11%.
- www.journalism.org



More reasons why

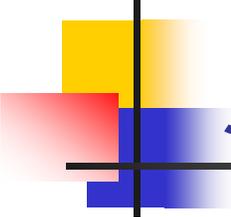
Particular ones

- SEC underfunded (journalists dependent on investigators for tips)
- Murdoch took over WSJ (Starkman)
- journalism in crisis and so reporters less likely to be brave



Emphasis on personalities

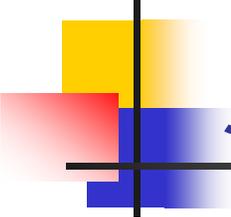
- US journalists also told to focus on people. Human interest. Humanize the story.
- Endless pieces now on people foreclosed, lost their jobs, life savings, personal finance etc.
- It's not enough. There are complicated stories that need to be explained.
- Emphasis on personalities is part of what caused the press to miss the point.
- Greenspan lionized. Critics ignored.
- Greenspan fell out of fashion. Began 18 months ago when his memoirs came out. Final blow was Goodman piece in the NY Times in Nov.
- Now critics lionized (Stiglitz, Roubini) but it is often personality pieces.
- Personality pieces away of avoiding the substance.



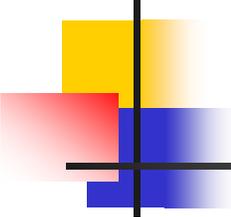
Demands are high on business journalism

- Business/econ journalism is believed to help promote development. Dyck, Besley, Sen
- Can explain issues/frame issues
- (resembles development journalism and African nation building, Mao/Lenin)
- Good governance, watch dog

Paradox of business journalism

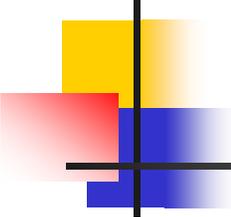


- And yet, business journalists may be the least equipped to handle this burden
- They write for urban elites
- They are advertising dependent/receive sponsorships
- Business journalism requires in depth knowledge that many reporters do not have



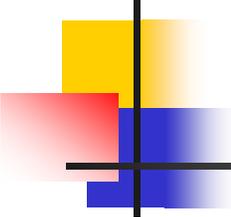
Pressure

- During the 1998 banking crisis. VN pressured reporters. Illegal to write about banking.
- Journos under pressure in the US now. Phone calls and word smithing
- In China not showing closed factories on the television unless foreign owned
- Press protecting the public. People trusting the government
- Blogs an outlet where criticism (China's investment in Blackstone) can be voiced.



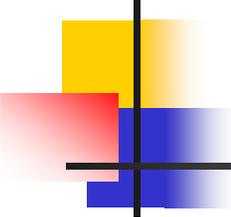
Access

- Quid pro quo with sources
- Become ambassadors to the general public
- Very much identified with their sources
- Pressure intensified during times of crisis (wordsmithing etc)



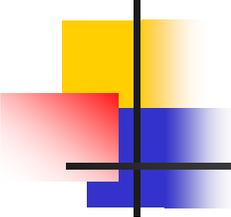
Self censorship

- Journos afraid they will make things worse
- Chinese reporters have told me they don't want to write about companies in trouble.
- Fear of losing access, of upsetting those in power. Skeptical editors. Censorship.



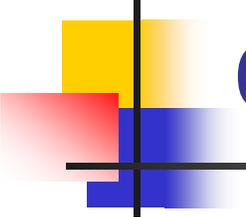
What can journos do?

- Unlikely reporters can predict but can do many things
- Journos job is to sort thru the noise
 - don't just write he said/she said stories.
 - Give space to serious critics
 - Look at the quality of information
 - the advisors and advice
 - the regulators (their prejudices and their ideologies)
 - Broaden sources (number and diversity)
 - Learn about the experiences of other countries



No easy solutions

- Educate yourself
- Write explainers
- No need to be randomly skeptical or confrontational. That has nothing to do with real journalism.
- Dig deep
- study finance and business
- It is very hard work



What I did during the Asian crisis

Visit the small troubled banks

- Did a series on all the areas they lent to
- Cultivated sources from many countries and the journalists as well
- I was frustrated
- Passionate
- Persistent
- Curious
- Confused
- Arrogant
- Mistaken (but I still broke a lot of news)