Financial Journalism through Financial Crises:
The Reporting of Three Boom and Bust Periods

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This thesis is presented for the degree of Doctor of Philosophy

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Declaration

I declare that this thesis is my own account of my research and contains as its main content work that has not previously been submitted for a degree at any tertiary education institution.

SOPHIE KNOWLES

.................................
Preface

Sections of this thesis have been previously published in the following sources but appear in this dissertation in a revised format:

Journal articles


Conferences


Abstract

This thesis describes a longitudinal study of mainstream financial reporting in the United States (US), the United Kingdom (UK), and Australia during three financial crises from the 1980s to the present. It responds to criticisms generated in the wake of the Global Financial Crisis (GFC) that financial journalism did not play enough of a watchdog role in forewarning the public of the troubles ahead. In the aftermath of the GFC it seemed there was a need to examine the coverage in the light of these criticisms, as well as investigate the modus operandi of the journalists themselves. This is not the first time finance journalism has attracted criticism and, given calls for more thorough, comprehensive, and empirical research into this genre, it seemed appropriate to undertake an investigation of the reportage in the context of the cultural and institutional developments of the past 30 years.

The longitudinal content analysis covers the recession of the early 1990s, the 2000 dot com boom, and the 2007-2008 GFC. A total data set of 1,205 articles was collected from bi-monthly sampling for a period of two years before each financial collapse (to capture the incubation period of the crises), to a little over a year afterwards (to capture the aftermath). The data was subjected to both quantitative and qualitative analysis to reveal the amount, type, and style of reportage. A longitudinal content analysis of this scale has not been seen since Barkin’s (1982) longitudinal content analysis of financial coverage in US mainstream newspapers. The study is also transnational, comparing content from the New York Times, the Guardian, and the Sydney Morning Herald. This allowed for a comparison of the reporting values in three mainstream agenda-setting publications from liberal democracies whose media industries have developed along similar lines. Interviews with financial, business, and economic journalists and editors in the US, the UK, and Australia provide an insight into how finance journalists themselves view their role, and how they deal with the cultural and institutional pressures to which they are subjected.

The thesis, therefore, has a dual focus: first, to analyse patterns of reportage across three financial crises; and second, to examine the role of individual financial journalists within a larger industry that has grown exponentially since the 1980s. It finds that declining standards in reportage, and increasing pressures and challenges within the mainstream newspaper industry have contributed to a shift in reportage,
which now is directed at big business and investors, as opposed to the general non-shareholding public. The insights from the practitioners form the basis for suggestions as to what is necessary to improve the standard of financial journalism to ensure it fulfils its watchdog role of holding business and government to account, promoting democratic debate, and engendering trust in the public. The thesis concludes that for this to be achieved editors will need actively to encourage independent investigation and analysis, journalists will need better training, and the content will need to be geared to a broader target audience.
Acknowledgements

To my principle supervisor Gail—the most thorough and dedicated person I know—and my co-supervisor Johan—for years of support and enthusiasm. Thank you both for inspiring me, encouraging me, and supporting me through the ups and downs.

I would like to thank the practitioners who kindly agreed to volunteer their time, energy, and expertise to take part in the interviews: Colleen Ryan, Alan Kohler, Ross Gittins, Paul Cleary, Chris Roush, Dean Starkman, Greg David, Peter Goodman, Steve Schifferes, Andrew Palmer, and Ian King. Also, thank you to Geoff Baker for your guidance on coding when the study was at such an early stage.

I would also like to acknowledge the generosity of Murdoch University, for the financial support and collegial environment that allowed for this research to take place.
**Abbreviations**

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<td>AFR</td>
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<td>ASIC</td>
<td>Australian Securities and Investments Commission</td>
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<tr>
<td>BS</td>
<td><em>Business Spectator</em></td>
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<td>CDO</td>
<td>Collateralised Debt Obligation</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CNBC</td>
<td>Consumer News and Business Channel</td>
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<td>CPI</td>
<td>Consumer Price Index</td>
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<td>EDI</td>
<td>Electronic Data Interchange</td>
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<tr>
<td>EMH</td>
<td>Efficient Market Hypothesis</td>
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<tr>
<td>FDIC</td>
<td>Federal Deposit Insurance Corporation</td>
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<td>FOI</td>
<td>Freedom of Information</td>
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<td>FT</td>
<td><em>Financial Times</em></td>
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<td>GDN</td>
<td><em>Guardian</em></td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GFC</td>
<td>Global Financial Crisis</td>
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<td>IPO</td>
<td>Initial Public Offering</td>
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<td>NYT</td>
<td><em>New York Times</em></td>
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<td>NYU</td>
<td>New York University</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PR</td>
<td>Public Relations</td>
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<td>SMH</td>
<td><em>Sydney Morning Herald</em></td>
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<td>UK</td>
<td>United Kingdom</td>
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<tr>
<td>US</td>
<td>United States</td>
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<tr>
<td>VAN</td>
<td>Value-Added Network</td>
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<td>WSJ</td>
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