# From Margins to Headlines: Analyzing the Determinants of Increased Media Focus on Income Inequality

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Forthcoming at *Social Science Quarterly*

This version: March 27, 2025

This study examines the determinants of media coverage on income inequality across 9 OECD countries from 1980 to 2021, aiming to understand its increased salience after the Global Financial Crisis despite minimal changes in actual inequality trends. Using a novel dataset of over 400 million newspaper articles, we analyze the media coverage volume and tone, examining their relationships with economic fundamentals and extra-economic factors. Our results show that economic fundamentals account for less than half of the variation in coverage, while the rise of populism and Piketty's book publication coincided with increased attention. The media focused more on market income inequality, potentially skewing public perception. The findings highlight the significant role of extra-economic factors in shaping inequality coverage, emphasizing the need for political leaders to communicate economic successes more effectively given media tendencies to focus on negative developments.

Keywords: Income inequality, media coverage, populism, public opinion

## 1. Introduction

Extensive research on economic voting has shown that voters in both Western and developing democracies tend to hold their governments responsible for economic performance

[1] The data that support the findings of this study are available from the corresponding author, Florence Bouvet, upon request. Financial support from Sonoma State University is acknowledged. We thank Aidan Reynolds and Zach Koblick de Leon for their contribution as research assistants.

(Amri and Bouvet 2024, Lewis-Beck and Stegmaier 2018). However, less research has focused on how voters acquire the information needed to evaluate their governments' economic management. Most voters do not directly consult official government economic statistics (Garz and Martin, 2021). Instead, they rely on media reports about the national economy and their personal economic experiences to form their opinions (Goidel & Langley, 1995; Damstra et al., 2018). This makes studying media coverage of the economy particularly important, especially for complex issues like income inequality. Income inequality is not frequently included in government statistics and is challenging for individuals to assess only through daily experiences (Grishold and Theine, 2017). Therefore, examining how the media presents information about income inequality —an economic issue which only recently gained media attention and voter interest —is crucial to understanding how voters perceive this phenomenon and potentially use it to evaluate government performance.

Our study makes several contributions to the existing literature. We first construct an original multi-country media coverage dataset using ProQuest TDM Studio to develop measures of newspaper coverage for nine established democracies. This approach enables cross-country comparisons and helps identify whether specific results are driven by individual countries. The dataset captures both the volume and tone of media coverage, recognizing that while newspaper readership has declined, newspapers remain crucial for originating policy-based content that circulates across the broader media landscape (Boydstun et al. 2018). Second, we analyze the determinants of media coverage on income inequality, a topic that has been relatively understudied in both mass communications and economic voting research. Third, recognizing that external factors influence media coverage beyond actual data, we investigate whether political factors such

as government ideology and the rise of populist parties play a greater role in shaping media reporting than economic factors.

We identify three key findings that may have broader policy implications beyond the specific focus of this study. First, media interest in income inequality is driven more by changes in *market* income inequality than in *disposable* income inequality, suggesting that pre-tax earnings gaps are more salient or easier to report. Second, there are notable cross-country differences in reporting volume. For example, inequality became a media concern in the UK well before it gained similar attention in the U.S. or Canada, highlighting the role of national context. Third, we find that the rise of populist parties is associated with increased media reporting on income inequality. While left-wing populist parties often advocate for redistributive policies, many right-wing populist parties emphasize welfare chauvinism—supporting welfare for native citizens while excluding marginalized groups—rather than broader redistribution aimed at reducing inequality (Ruth-Lovell and Wiesehomeier 2025). This suggests that media coverage may be influenced by the prominence of populist rhetoric, which amplifies discussions of inequality even in the absence of concrete policy proposals.

The remainder of the paper is organized as follows: Section 2 provides an overview of the relevant literature and outlines our hypotheses; Section 3 discusses our dataset and research design; Section 4 presents our empirical results; and finally, Section 5 offers a summary, conclusions, and suggestions for future research.

## 2. Survey of Relevant Literature and Hypotheses

### *a. How does media coverage affect voters' perceptions of the economy?*

Media coverage significantly impacts how voters perceive the economy. Since few citizens directly access government reports or economic statistics, they rely on the media to understand complex issues like income inequality (Brettschneider, 2003). The media disseminates economic statistics, reports policy changes, and presents expert opinions, which helps shape both personal and sociotropic evaluations of the economy (Barbaras and Jerit, 2009).

The tone of media coverage is also crucial in shaping public opinion. Negative news tends to have a stronger influence than neutral or positive coverage, as demonstrated by Boomgardeen et al. (2011). In the U.S., increases in articles mentioning terms like "recession" or "layoffs" are associated with declines in consumer economic sentiment, even when controlling for actual economic data (Doms and Morin, 2004). Local newspaper coverage is particularly influential in shaping American consumers' perceptions of the economy (Hopkins et al., 2017), as are the breadth and prominence of media coverage. However, many studies identify a positive relationship between media tone and public economic sentiment without establishing a clear causal link, which may arise from reverse causality or reflect direct relationships between economic fundamentals and sentiment (Boydstun et al., 2018).

### *b. Media Coverage and Economic Realities*

Media coverage generally tracks macroeconomic variables well, but discrepancies can occur due to sensational reporting, which biases the coverage tone or what type of economic news gets reported (Damstra et al., 2018). Economic recovery episodes receive less coverage than recessions (Fogarty, 2005). The focus on negative news can be explained by prospect theory, where people react more to potential losses than gains (Kahneman and Tversky, 1979). For instance, rising

inflation in 2021 and 2022 received extensive coverage, while stable inflation rates often go unreported (Garz, 2014).

Journalists may unintentionally introduce bias by reporting more favorably on governments with the same political affiliation (Kayser and Peress, 2021). However, discrepancies can also arise from the type of data reported. Media often use real-time measures, which may differ from revised figures used in academic research. The focus on aggregate economic data can introduce biases, as it might not reflect the experiences of lower- and median-income households (Jacobs et al., 2021).

### *c. How external factors enhance the media coverage of the economy*

Several external factors influence media coverage of the economy beyond actual economic data, shaping how economic issues like income inequality are reported and perceived. One significant factor is the political leanings of media outlets, which can affect both the selection of economic news and the framing of the coverage (Puglisi and Snyder, 2015). For example, McBeth et al. (2018) found that the media can actively construct narratives about important events such as the policy responses the 2008-09 financial crisis, which led to partisan differences in public opinion about the benefits of stabilization policies. This reinforces the notion that political affiliations shape how economic realities are presented.

Beyond ideological biases, other political events also influence economic reporting. Electoral campaigns, for example, often amplify economic news as journalists adopt a "watchdog" role to alert citizens about negative trends such as unemployment or inflation (Damstra et al., 2018). Research shows that unemployment receives heightened media attention during election years (Garz, 2014). This increased scrutiny extends beyond assessing government performance on GDP or employment figures; it often includes a focus on how national wealth is distributed. Media

coverage of income inequality tends to rise under left-leaning governments, which are more likely to prioritize inequality in public discourse (Bauer et al., 2021). This interplay between political events and economic reporting highlights how external factors can elevate certain topics in the media agenda.

Influential publications also play a critical role in shaping economic discourse by bringing attention to specific issues. A notable example is Thomas Piketty's *Capital in the Twenty-First Century*, published in 2014. The book significantly raised the salience of income inequality in public discourse (Grisold and Theine, 2020). Its success was partly due to its timing—following movements like Occupy Wall Street—and its focus on a topic that resonated with growing public concerns about wealth disparities. This "Piketty effect" represents an external event that shaped media coverage of inequality independently of actual changes in income inequality data. Such publications demonstrate how intellectual contributions can influence which economic issues receive attention.

The rise of populist political parties is another factor driving increased media coverage of income inequality. These parties often leverage economic discontent in their rhetoric, framing inequality as a central issue by opposing elite groups against “the people” (Guriev and Papaioannou, 2022). Research suggests that income inequality may contribute to the success of populist movements (Jesuit et al., 2009; Stoetzer et al., 2021; Rodríguez-Pose et al., 2023), as these parties capitalize on grievances stemming from economic disparities. Left-wing populist parties typically advocate for redistributive policies such as progressive taxation and expanded social welfare programs. For instance, Podemos in Spain has emphasized reducing inequality through higher taxes on the wealthy and increased public spending on social services. In contrast, right-

wing populist parties often focus less explicitly on reducing inequality through redistributive policies but instead address the insecurities it creates through protectionist policies, anti-elite rhetoric, and ethnonationalist appeals (Engler & Weisstanner, 2021). These approaches resonate with voters who feel economically marginalized or threatened by rising disparities.

Rather than focusing solely on how income inequality drives support for populist movements, it is essential to consider how media coverage of populist parties amplifies discussions about inequality itself. Populist messaging often brings attention to economic grievances that might otherwise be overlooked in mainstream reporting. As these parties gain traction in public discourse, their focus on inequality—whether through redistributive policies or nationalist rhetoric—shapes how the issue is framed and prioritized by the media.

Given the above discussion, our main hypotheses are summarized below:

Hypothesis 1*: Media coverage of income inequality in volume increases with rising income inequality.*

Hypothesis 2*: The media coverage of income inequality tone improves when income inequality declines.*

High-profile external factors, such as a major economic crisis or a political event, enhance the coverage of income inequality as they relate to, both in volume and tone. To that end, we develop the following four hypotheses:

Hypothesis 3a*: The media coverage of income inequality is larger in volume and more negative in tone during election years.*

Hypothesis 3b*: The media coverage of the income inequality is larger in volume and more positive in tone when the main governing party is left-leaning.*

Hypothesis 3c*: The coverage in the news of Thomas Piketty and his work on income inequality have enhanced the media coverage in volume of income inequality*.

Hypothesis 3d*: The rise of populist politicians, owing to their anti-establishment and redistributive rhetoric, has increased the media coverage of income inequality in volume and deteriorated the tone of this coverage*.

## 3. Data and Methodology

### *a. Media coverage*

In this paper, we build an original database of economic newspaper articles in 9 OECD countries: the United States, Canada, the United Kingdom, Ireland, New Zealand, Australia, France, Germany, and Spain. We use ProQuest TDM studio to analyze the full-text content of leading newspapers in these 9 countries. To our knowledge, our paper is the first economic media coverage analysis which relies on this new ProQuest tool (Barbera et al (2016) use the ProQuest Newsstand Database). From the population of news articles included in the ProQuest Global Newsstream database, we generate our sample with a keyword search conducted in Jupyter (see Online appendix A for more details). An alternative to keyword search is subject-based categorization. However, as noted by Barbera et al. (2016), "the problem with using the subject categories provided by the media provider […] is that they are both non-transparent […] and, thus, non-transferrable" (p.5).

Using the ProQuest TDM studio with their Global Newsstream database allows us to examine over 400 million articles for the 9 OECD countries included in our analysis (see Table 1). Over half of these news stories are U.S.-related, but this does not skew our results as the data are aggregated at the yearly level. The coverage is also quite good for most of the other English-speaking countries, but it is much more limited for France, Germany, and Spain. Ideally, we would

have included more OECD countries (like Kayser and Peress, 2021), but the ProQuest Database we had access to did not include enough newspapers from other countries. The longest window of coverage starts in 1980 for the United States and Canada, while the shortest window starts in 2008 for Germany and Spain (See Table 1). Furthermore, the articles are drawn from many publications (from 888 newspapers for the U.S. to 6 for Spain), covering diverse political leanings.

-Table 1 here-

Table 1 also provides a breakdown of the relative coverage of income inequality in the 9 countries included in our analysis. Given that the total number of articles included in the Global Newsstream database varies significantly from year to year (see Online Appendix, Figure A1), we measure the coverage volume of a specific economic issue as the number of articles which mention this topic relative to the overall number of articles included in the Global Newsstream database over the same period.

In most of the 9 countries included in our sample, coverage volume of income inequality rose significantly during the 2010s and peaked around 2014-2015 (Figure 1). This surge is particularly striking in Canada and the United States, where we have longer series. In the case of the UK, we also notice another spike around 1997-1998, as Labour Party came into power in 1997, promising to address social and economic issues, including income inequality. This shift in government focus likely heightened media attention on the topic as Labour's policies aimed to reduce inequality through tax reforms and social programs. Moreover, the late 1990s saw a growing public awareness of social issues, including poverty and inequality, as the country was emerging from Thatcherism and assessing her economic policy legacy which impacted income distribution (Bauer et al., 2021).

When comparing Figure 1 to the trends in income inequality (measured by the Gini Index for market- and disposable-income) in Figure 2, the rise in media coverage of income inequality does not coincide with any notable surge in the Gini index. These results are in line with those of Diermeier et al. (2017) who note that while media coverage of income inequality in Germany increased substantially between 2010 and 2015, actual income inequality had not changed much since 2005. This suggests that non-economic factors in shaping media coverage, as discussed in our literature review, play an important role in shaping media.

-Figure 1 here -

-Figure 2 here -

In addition to the volume of economic news presented in the media, voters' perception about the economy can be influenced by the tone of the reporting. Our dataset therefore includes a measure of the news articles' tone. We rely on the TDM Studio Sentiment Analysis tool to construct this tone. Instead of assigning a positive or negative score to a text, TDM Studio assigns an affective state or emotion to each sentence in a news article. Because the sentiment analysis is conducted on the entire articles and not just the headlines or titles, our classification is less likely to result into misclassification that could stem from a catchy title. The program uses BERT-based, sentence embeddings to represent each sentence in a dataset, and trains a model using the sentence embeddings to predict the probability of each sentence being assigned to each affective state (i.e. 'Anger', 'Disgust', 'Fear', 'Sadness', 'Happiness', 'Love', 'Surprise', 'Neutral', 'Other'). To simplify the analysis (and preserve some degrees of freedom), we then aggregate these different affective states into two measures: positive tone (which aggregates "Happiness" and "Love") and negative tone the remaining four affective states. As a robustness check, we manually retrieved a

dozen articles that were classified as exhibiting mostly negative sentiments such as anger and assessed ourselves the tones of their content. Our analysis confirmed the classification proposed by the BERT-based program. At this stage, the TDM Studio Sentiment Analysis tool is only available for English texts, so we are not able to add France, Germany and Spain to this section of the analysis. As a robustness check, we report in the online appendix the analysis on media volume for the six English-speaking countries for which we also have tone data.

Figure 3 illustrates the trends in the media tone used for articles covering income inequality. In line with previous research (such as Goidel and Langley (1995)), the tone of news coverage tends to be more negative than positive, which holds in all six English-speaking countries in our data set.

In our subsequent analysis, instead of using the percentage of negative or positive tone in a news article, we use a measure of net tone (% of positive tone-% of negative tone) as our measure of media tone. This measure has the advantage of capturing the direction of the tone and its magnitude (Soroka et al. 2015). We believe that this net tone measure is more accurate than using for instance a measure of positive tone alone because one could face a situation where the negative tone increases more than the positive one (since some articles' tone is described as neutral).

–Figure 3 here –

***b. Macroeconomic data***

Following a common practice in the political economy field (Kuhn et al. (2014), Dassoneville & Lewis-Beck (2020)), we measure income inequality as changes in a country's aggregate Gini index as it is a worsening of (or an improvement in) the income distribution that more likely prompts voters to demand accountability of their leaders, rather than the level of the income distribution

itself. We use the standardized Gini index data from Solt (2020) and test our hypothesis using both market income inequality which is the level of inequality that would occur without any redistributive actions from the government, as well as income inequality after taxes and transfers, which captures more accurately inequality as it is lived and experienced by voters, as do other studies of the electoral consequence of income inequality like Jastramskis, Kuokstis, & Baltrukevicius (2019). The correlation index between our measure of income inequality and the equivalent series from the World Income Inequality Database (WIID) is 0.943, so we feel confident that our results are robust to a change in the series. As a robustness check (which are available upon request), we also use a measure of the 90/10 income inequality ratio (from the OECD). Since values for this series are not available for every year, we intrapolate the missing data using natural cubic spline interpolation. This new series is highly correlated with our measure of inequality in disposable income (0.9097) and less so with market income inequality (0.4469).

Several additional macroeconomic variables, typically included in economic voting model, are incorporated into the analysis to control for the general national economic context. These macroeconomic data, namely unemployment rate, inflation rate, and economic growth, are obtained from the IMF World Outlook Database. Table 2 provides summary statistics for all variables (yearly) used in our analysis. While using quarterly or monthly data (as done in Kayser and Peress, 2021) would increase the number of observations, we use yearly data given that income inequality is a slow-changing phenomenon and only reported annually.

– Table 2 here–

### *c. External factors and non-macroeconomic regressors*

To test hypotheses 3a-3d, we create a series of variables to estimate the relevance of high-profile non-economic factors on the media coverage of national economies. Insofar as the literature

suggests that media coverage tends to rise when the economy does poorly (negativity hypothesis), we test whether this finding applies to the Global Financial Crisis (2007-2009) by adding to our list of regressors a time-dummy variable for the GFC.

To test hypothesis 3a (the effect of election years), we add a time-dummy variable equal to 1 for each year a national parliamentary election is organized. For hypothesis 3b (the impact of government ideology), we generate a dummy variable equal to 1 when the national government is led by a left-leaning party.

To evaluate the Piketty effect (hypothesis 3c), we first test the relevance of Piketty's 2014 book in 2014 with a year-dummy for 2014. To minimize the likelihood that this dummy is capturing other 2014 events, in a separate robustness test (available upon request), we replaced the 2014-year dummy with 2013 and 2015 respectively and found that these year dummies were not statistically significant. We also measure the media coverage of this book and the author with two relative media coverage metrics built from the ProQuest Global Newsstream database: one counts the relative number of articles mentioning Thomas Piketty, and the other tracks mentions of the book title. As shown in Figure 4, Thomas Piketty and his book received growing media attention between 2014 and 2017, and this phenomenon is not limited to France, his home country.

To examine the link between rising populism and extra-economic coverage of income inequality (hypothesis 3d), we build a country-level populism index, using the party-level populism measure included in the Varieties of Party Identity and Organization (V-Party) Dataset V2 (Dupont et al., 2021) and vote shares in lower-house parliamentary elections. This dataset relies on expert-coded assessment of parties' organization and identity. Their populism index is based on the extent to which representatives of the party use populist rhetoric, such as anti-elitism and

people-centrism. Every party included in the dataset is assigned a populism index, which ranges from 0 (low) to 1 (high). Using a continuous measure allows for a more refined analysis than what would be feasible with a binary measure of populism, because the index value assigned to each party can vary over time. For instance, the U.S. Republican party's populism index fell from 0.298 in 1980, to 0.199 in 2006, but went back up to 0.538 in 2018. We then build the country-level populism index as the weighted average of all elected parties' populism index, using as the weights the vote shares received by these parties in national parliaments and present them in Figure 5. Our index confirms earlier findings (e.g., Guriev and Papaioannou, 2022) of a notable increase in this populism index after the GFC.

- Figure 4 here –

- Figure 5 here –

## 4. Empirical Analysis

To analyze the determinants of media coverage on income inequality, we regress coverage of income inequality on a set of economic variables using a pooled Ordinary Least Squares estimator. This helps distinguish changes in coverage driven by economic fundamentals and those caused by extra-economic factors. Then, we add to the specification the factors behind this "extra-economic" coverage described in hypotheses 3 a-d. Section a presents the regression results using volume measures, while section b focuses on tone measures. We are notably interested in explaining the surge of media coverage for income inequality around 2014.

### *a. The volume of economic news and economic fundamentals*

We first examine the extent to which the change in the volume of media coverage for income inequality is related to actual changes in income inequality, controlling for other macroeconomic fundamentals. The results are presented in Table 3. We include the lagged values of the

macroeconomic variables, as well as their annual percentage change. Additionally, we test whether the impact of a change in income inequality depends on its level by adding an interaction term between the level and the percentage change in inequality. Our assumption is that media might pay more attention to rising income inequality if it is already high in level, or that rising inequality might get more coverage in countries with lower levels of inequality, as these rises would be seen as a worrisome development. When we test for the relevance of both disposable- and market-income (columns 1 and 2 respectively), our results confirm that media coverage significantly relates to inequality in market income and not in disposable income. This might stem from a media focus on earnings disparities, prior to redistribution. News articles often report income data in terms of gross- rather than net-income, as this figure is more relatable to individuals' pay checks. This emphasis on gross income inequality aligns with a narrative about the fairness of the market system and the role governments should play in addressing market-driven income disparities. For example, a BBC news article titled "Super-rich increase their share of world's income" (December 7, 2021), notes that "an average adult individual earned €16,700 per year in 2021, while on average, an individual from the top 10% of the global income distribution earns €87,200 per year." Similarly, a 2022 New York Times article states that "the average real income of the top 0.1 % of the population grew by 298 % between 1984 and 2014, while the average real income of the bottom half of the population grew just 21 %." Both articles highlight gross income.

Furthermore, we find that media coverage volume significantly rises with higher market income inequality in both level and rate of change. The negative sign on the interaction term between the level and change in income inequality indicates that, if the rate of change in inequality is accelerating, coverage is increasing more in countries which start with lower past levels of

income inequality. These results suggest that, all else constant, if the market income Gini index increases by 1 unit (which amounts to 2% increase relative to an average of 49.536), the media coverage in volume of income inequality would increase by 0.00365 percentage points, which represents a 0.33% increase in the average coverage volume. These estimates assume that we hold the change in the Gini index at its sample average of 0.264%. There is also no robust evidence that the coverage of income inequality relates to any other macroeconomic variable. The R-squared from column 2 suggests that variations in macroeconomic fundamentals explain 47% of the variation in the coverage of income inequality. This would suggest that extra-economic factors explain a substantial amount of variation in that coverage.

Before running augmented regressions with extra-economic or external variables, we plot the residuals of the regressions in columns 1 and 2 of Table 3 in Figure 6. For the market and disposable income inequality, there is a clear spike in positive residuals between 2010 and 2020, which suggests that the actual coverage of income inequality was higher than what we would have predicted based on the actual Gini index data. The relevance of these extra-economic factors is further examined in columns 3 to 5 of Table. We find robust evidence that the media coverage of Piketty and his book is associated with more coverage of income inequality. The coefficient of 0.0139 on the 2014 dummy suggests that the year Piketty's book was published in English, all else constant, the media coverage of income inequality more than doubled (mean value is 0.011% points). The impact is more limited, however, when we relate the coverage of inequality to the actual media coverage of the book or the author. The results from column 5 suggest that a doubling of the coverage of the book (+0.00014% points) would be associated with an increase in the overall coverage of income inequality by 0.0003% points (which amounts of a mere increase by 2.8%

from an average coverage of 0.011% points).

In fact, the surge in extra-economic coverage (or external factors) of income inequality identified in the mid-2010s in our sample appear to be mainly driven by the rise of populism. A doubling of the populism index (+0.291 unit) is associated, all else constant, with a doubling of the coverage of income inequality (+0.01% points). This result is in line with Champlin and Knoedler (2008) who note that the media's interest for income inequality is limited to its salience as an electoral issue. The GFC is not associated, all else constant, with a rise in extra-economic coverage of income inequality. We also find no evidence that the volume of the coverage differs when a left-leaning party leads the national government or during election years.

- Table 3 here-

-Figure 6 here-

Given that the surge in media coverage on income inequality is especially strong in the United States, and that Thomas Piketty is especially well known in France, we also check whether the results are robust to taking out of the analysis one country at a time. These results are reported and discussed in the Online Appendix.

***b. The tone of economic news and economic fundamentals***

We replicate a similar analysis of the relationship between income inequality and the tone of the media coverage. The results are presented in Table 4. The results confirm that the variations in media tone are less related to changes in the macroeconomy. First, the R-squared for these five regressions are all smaller, although we note that this is in part due to limited variation in the tone of media coverage. For income inequality coverage, for instance, 20% of the variation in net tone can be explained by variation in the macroeconomy (column 2). In line with our findings for the coverage volume, we find that the net tone relates significantly to market income and not

disposable income. Moreover, the coverage tone relates positively to the change in income inequality, not its level. Surprisingly, we find that even after controlling for the business cycle with the growth rate of GDP, the tone of coverage for income inequality improves (more positive) when income inequality grows faster. This finding is however in line with Jacobs et al. (2021) who argue that if the media coverage of the economy focuses more on the business cycle and the aggregate economy, and if the recent economic expansions have benefited the rich more than the median-income households (and hence coincide with rising inequality), then one might expect the economic news to become more positive as income inequality increases (if this rise in inequality comes from economic growth). The net tone for income inequality improves also with more economic growth and lower unemployment rate, which tend to depict together a positive economic outcome. We use the residuals from column 2's regression as a measure of extra-economic tones. These are reported in Figure 7. Unlike the residuals from the media volume, there are no specific upward trend in these residuals after the global financial crisis.

When we add the non-macroeconomic variables (columns 3 to 5 of Table 4), we find that the tone of the coverage changes only significantly with the electoral calendar. Moreover, the tone of coverage on inequality tends to be more positive during election years. While at first glance this sounds counter-intuitive, there are no definitive directions about the effects of elections on the media coverage tone: it depends on any partisan bias of the media and which part (government versus opposition) is more successful in crafting a narrative of their achievements (critiques). However, given that we include a left-wing incumbent dummy variable in our regressors, the positive sign on the election-year dummy that we find suggests that the incumbent's media strategy is more successful than that of the opposition. Synthesizing this with results in the previous section,

although election years do not significantly correlate to more volume coverage of inequality, the coverage that does emerge during these periods tends to skew more positive than negative in tone. This suggests that electoral cycles may have a greater influence on the sentiment of inequality reporting rather than its frequency.

-Table 4 here –

-Figure 7 here-

## 5. Conclusion

The main objective of this paper is to investigate income inequality as a salient public issue in Western democracies, and to understand why it only became relevant to voters since the Global Financial Crisis, even though that recession did not really alter the trends in income inequality in our sample countries. To that end, we construct a new media coverage data set for 9 Western Democracies using ProQuest TDM studio and their Global Newsstream database. Covering a period from 1980 to 2021 and a total of over 400 million newspaper articles, we create measures of the media coverage of income inequality both in terms of volume and tone. While media coverage of income inequality partly reflects changes in economic fundamentals, but these account for less than half of the variation in coverage of income inequality and even less in its tone. Furthermore, public opinion of income inequality might be skewed or exacerbated by the media focus on gross- rather than net-income inequality which more accurately captures the extent of income disparities experienced by the population. These results imply that extra-economic factors are important in explaining the news coverage of the economy.

The relevance of this extra-economic media coverage does not necessarily mean that newspapers and other outlets (un)intentionally mislead the public about the economy (Boydstun

et al. 2018). It could also be the case that the media help citizens better understand their country's economic situation by explaining the official government statistics in their context. This contextualization is even more important for income inequality, as it is relatively more difficult for the average citizen to grasp the full extent of income distribution in their country.

The second stage of our analysis is designed to uncover which extra-economic factors would have triggered this surge in media coverage for income inequality. We hypothesize that this increased salience was mainly triggered by a greater media focus on two phenomena: the rise of populist parties and electoral candidates, as well as the publication of Piketty's book on income inequality which became a best-seller. We find that the rise in populist parties and the publication of Piketty's book coincided with extra-economic coverage of income inequality, even after controlling for economic fundamentals, although it appears that the more dominant factor of the two is populism.

While economic performance often takes center-stage in the public 's mind and can heavily influence the outcome of an election, our results suggest that political leaders cannot expect economic statistics alone to establish their successful management of the economy. In the late summer of 2023, for instance, President Biden's approval rating was stagnating despite record low unemployment rates and slowing inflation[2]. Given the media's extra attention to negative economic development, it is all the more important for incumbent politicians to highlight their economic successes in ways more relatable to the public.

[2] https://www.pbs.org/newshour/politics/bidens-approval-rating-on-the-economy-stagnates-despite-slowing-inflation-ap-norc-poll-finds

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Tables and Figures

Figure 1: Income Inequality in the Sample Countries

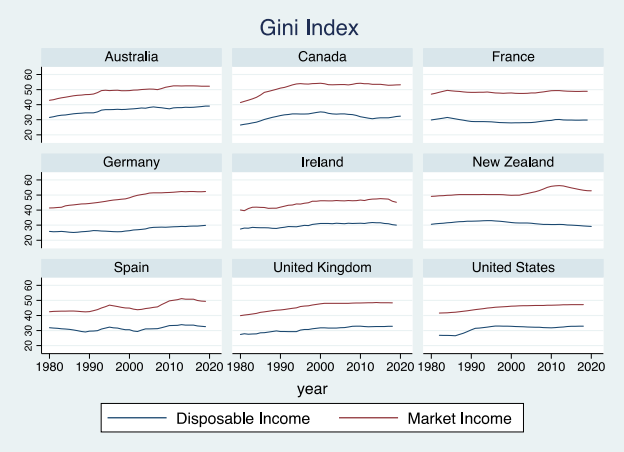


Figure 2: Media coverage volume of Income Inequality

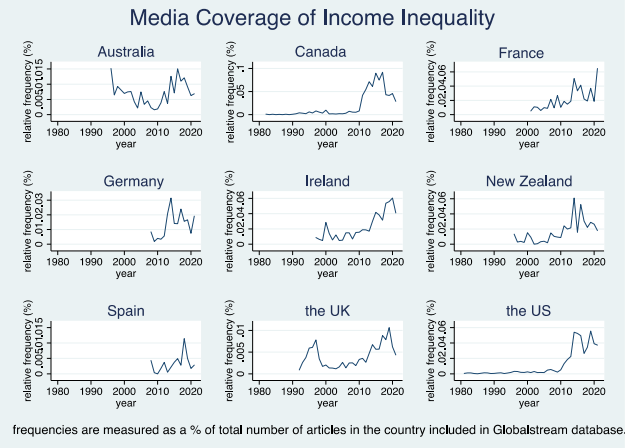


Figure 3: Media Coverage Tone of Income Inequality

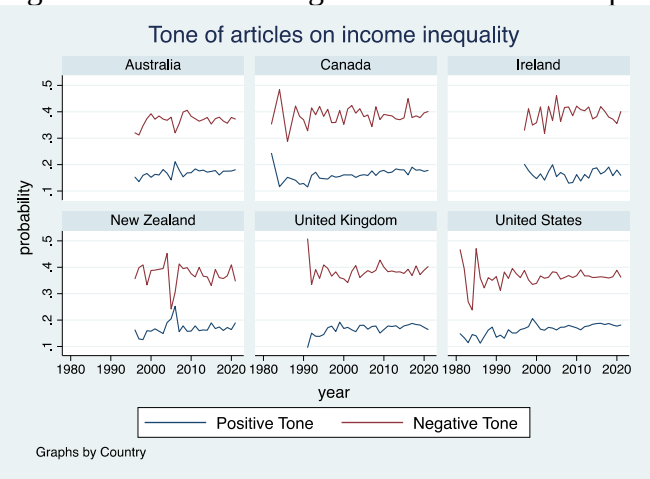

Figure 4: Media Coverage of T. Piketty and his book on income inequality

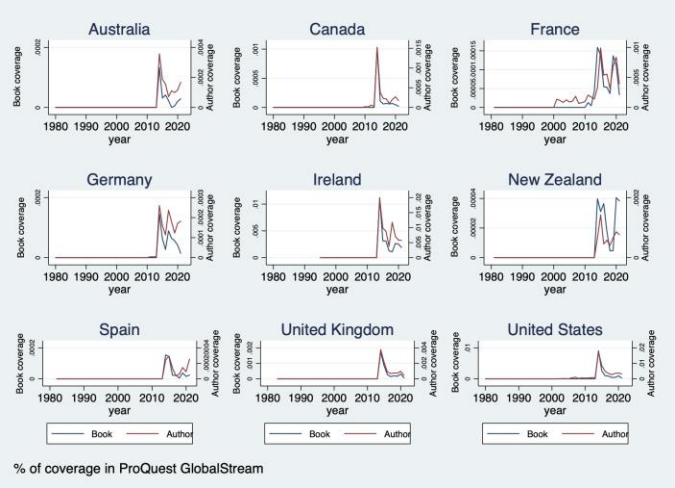


Figure 5: Populism Index

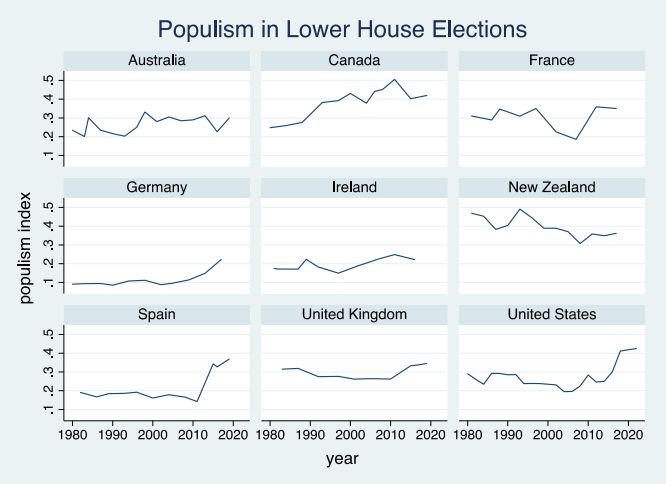


Figure 6: Extra-economic Media Coverage Volume

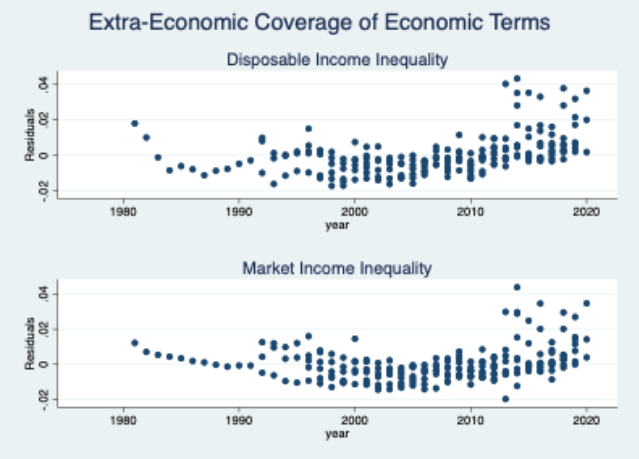

Figure 7: Extra-economic Media Coverage Tone

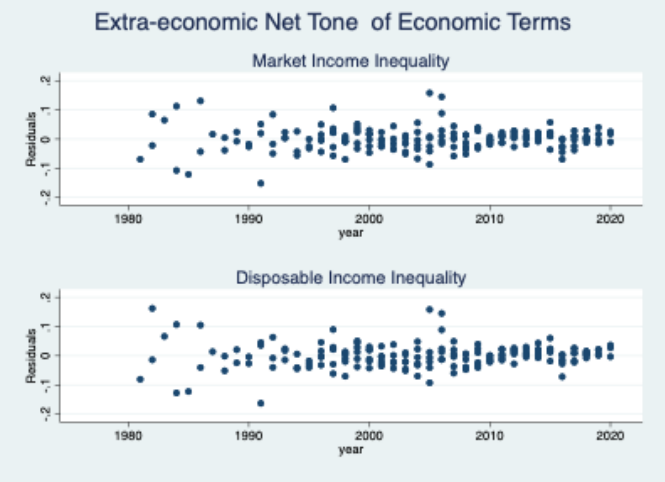


Table1: The Global Newsstream Dataset: Some information

| | Total Globalstream | Australia | Canada | France | Germany | Ireland | New Zealand | Spain | UK | USA |
|---|---|---|---|---|---|---|---|---|---|---|
| Period covered | 1980-2021 | 1985-2021 | 1980-2021 | 2001-2021 | 2008-2021 | 1995-2021 | 1996-2021 | 2008-2021 | 1985-2021 | 1980-2021 |
| # newspapers | | 369 | 447 | 10 | 13 | 32 | 19 | 6 | 331 | 888 |
| # publishers | | 9 | 14 | 4 | 4 | 8 | 3 | 4 | 25 | 404 |
| Total # articles | 476,069,312 | 31,392,097 | 45,449,016 | 1,583,169 | 3,043,122 | 3,664,673 | 6,242,635 | 2,485,539 | 77,296,039 | 237,128,344 |
| Articles on Income inequality | | 2,184 | 10,939 | 402 | 372 | 846 | 1,182 | 79 | 3,395 | 39,915 |

Table 2: Summary Statistics

| Variable | Obs | Mean | Std. Dev. | Min |
|---|---|---|---|---|
| Coverage Volume: Inequality | 210 | 0.011 | 0.013 | 0.000 |
| Coverage Net tone: Inequality | 166 | -0.210 | 0.041 | -0.330 |
| Gini Index for Market Income | 210 | 49.536 | 3.034 | 43.200 |
| Gini Index for Disposable Income | 210 | 32.422 | 2.643 | 28.000 |
| Growth rate in per capita GDP | 210 | 1.653 | 2.820 | -9.655 |
| Unemployment rate | 210 | 7.489 | 3.815 | 3.150 |
| Inflation rate | 210 | 2.051 | 1.372 | -1.684 |
| Populism Index | 210 | 0.291 | 0.081 | 0.109 |

Table 3: The determinants of media coverage volume for income inequality

| VARIABLES | (1) Income Inequality | (2) Income Inequality | (3) Income Inequality | (4) Income Inequality | (5) Income Inequality |
|---|---|---|---|---|---|
| Change in per capita GDP | 0.000138 | 0.000101 | 3.36e-05 | -0.000213 | -7.23e-05 |
| | (0.000482) | (0.000294) | (0.000433) | (0.000297) | (0.000371) |
| Lagged Unempl.Rate | -0.000151 | -0.000569* | -0.000508 | -0.000436 | -0.000477 |
| | (0.000333) | (0.000325) | (0.000342) | (0.000307) | (0.000313) |
| Change in unempl. rate | 1.66e-05 | -1.26e-05 | -9.63e-05 | -9.70e-05 | -9.62e-05 |
| | (9.63e-05) | (7.61e-05) | (7.17e-05) | (5.97e-05) | (6.63e-05) |
| Lagged Inflation rate | -0.00231*** | -0.000242 | 0.000178 | 7.37e-05 | 0.000153 |
| | (0.000681) | (0.000607) | (0.000505) | (0.000457) | (0.000482) |
| Change in Inflation rate | -2.39e-07 | 2.44e-07 | 2.63e-07 | -4.29e-07 | -1.44e-07 |
| | (2.02e-06) | (1.91e-06) | (1.90e-06) | (1.70e-06) | (1.84e-06) |
| Change in Disposable Income Gini index | 0.000710 | | | | |
| | (0.000935) | | | | |
| Lagged Disposable Income Gini index | -0.0185 | | | | |
| | (0.0134) | | | | |
| Lagged Disposable Income Gini index* change in Disposable Income Gini index | 0.000589 | | | | |
| | (0.000422) | | | | |
| Change in Market-income Gini index | | 0.00396*** | 0.00344*** | 0.00263*** | 0.00316*** |
| | | (0.000727) | (0.000768) | (0.000761) | (0.000774) |
| Lagged Market-income Gini index | | 0.0560*** | 0.0343** | 0.0166 | 0.0254** |
| | | (0.0134) | (0.0133) | (0.0116) | (0.0127) |
| Lagged Market-income Gini index* change in Market-income Gini index | | -0.00116*** | -0.000676** | -0.000318 | -0.000495* |
| | | (0.000278) | (0.000270) | (0.000233) | (0.000257) |
| GFC | | | -0.000719 | -0.00163 | -0.00134 |
| | | | (0.00144) | (0.00137) | (0.00141) |
| 2014 dummy | | | 0.0139** | | |
| | | | (0.00613) | | |
| Piketty media cov | | | | 1.634*** | |
| | | | | (0.627) | |
| 21stCapital media cov. | | | | | 2.246* |
| | | | | | (1.358) |
| Populism Index | | | 0.0347* | 0.0348* | 0.0370* |
| | | | (0.0181) | (0.0188) | (0.0191) |
| Left-Government | | | -0.00118 | -0.00137 | -0.00152 |
| | | | (0.00177) | (0.00184) | (0.00187) |
| Election Year Dummy | | | 0.00143 | 0.000910 | 0.00103 |
| | | | (0.00139) | (0.00138) | (0.00141) |
| Constant | -0.00729 | -0.180*** | -0.167*** | -0.127*** | -0.153*** |
| | (0.0345) | (0.0356) | (0.0380) | (0.0371) | (0.0380) |
| Observations | 210 | 210 | 198 | 198 | 198 |
| R-squared | 0.328 | 0.470 | 0.507 | 0.508 | 0.482 |

Notes: dependent variable = volume of media coverage of each issue (# articles as % of total articles in a given. year); Piketty's 21st century capital was published in 2014. Robust standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1

**Table 4: The determinants of media coverage tone for income inequality**

| VARIABLES | (1) Disposable income inequality | (2) Market income inequality | (3) Market income inequality | (4) Market income inequality | (5) Market income inequality |
|---|---|---|---|---|---|
| Change in per capita GDP | 0.00309*** | 0.00269* | 0.00288* | 0.00288 | 0.00285 |
| | (0.00113) | (0.00145) | (0.00173) | (0.00181) | (0.00178) |
| Lagged Unempl.Rate | -0.00401** | -0.00530*** | -0.00550** | -0.00547** | -0.00552** |
| | (0.00182) | (0.00201) | (0.00216) | (0.00214) | (0.00215) |
| Change in unempl. rate | -8.50e-05 | -8.66e-05 | 8.28e-05 | 7.01e-05 | 7.26e-05 |
| | (0.000168) | (0.000182) | (0.000332) | (0.000335) | (0.000334) |
| Lagged Inflation rate | -0.00262 | -0.00397 | -0.00419 | -0.00412 | -0.00416 |
| | (0.00389) | (0.00338) | (0.00336) | (0.00333) | (0.00334) |
| Change in Inflation rate | 6.81e-06 | 4.38e-06 | 6.21e-06 | 6.06e-06 | 6.02e-06 |
| | (6.75e-06) | (7.50e-06) | (7.26e-06) | (7.35e-06) | (7.35e-06) |
| Lagged Disposable Income Gini index | 0.00123 | | | | |
| Change in Disposable Income Gini index | (0.00336) | | | | |
| Lagged Disposable Income Gini index* change in Disposable Income Gini index | 0.0247 | | | | |
| Lagged Disposable Income Gini index | (0.0413) | | | | |
| Change in Disposable Income Gini index | -0.000827 | | | | |
| | (0.00124) | | | | |
| Lagged Market-income Gini index | | 0.00280 | 0.00320 | 0.00351 | 0.00334 |
| | | (0.00315) | (0.00323) | (0.00335) | (0.00327) |
| Change in Market-income Gini index | | 0.150** | 0.150** | 0.153** | 0.150** |
| | | (0.0733) | (0.0721) | (0.0770) | (0.0755) |
| Lagged Market-income Gini index* change in Market-income Gini index | | -0.00303** | -0.00302** | -0.00308* | -0.00301* |
| | | (0.00146) | (0.00145) | (0.00156) | (0.00153) |
| GFC dummy | | | -0.0106 | -0.0107 | -0.0109 |
| | | | (0.0135) | (0.0136) | (0.0136) |
| 2014 dummy | | | 0.00968 | | |
| | | | (0.00733) | | |
| Piketty media cov | | | | -0.0584 | |
| | | | | (1.163) | |
| 21stCapital media cov. | | | | | 0.591 |
| | | | | | (1.703) |
| Populism Index | | | -0.0736 | -0.0752 | -0.0758 |
| | | | (0.110) | (0.111) | (0.110) |
| Left-Government | | | 0.00664 | 0.00614 | 0.00617 |
| | | | (0.00777) | (0.00773) | (0.00775) |
| Election Year Dummy | | | 0.0122* | 0.0122* | 0.0121* |
| | | | (0.00726) | (0.00728) | (0.00727) |
| Constant | -0.214 | -0.300* | -0.307* | -0.321* | -0.313* |
| | (0.136) | (0.159) | (0.163) | (0.169) | (0.165) |
| Observations | 174 | 174 | 166 | 166 | 166 |
| R-squared | 0.153 | 0.200 | 0.227 | 0.225 | 0.226 |

Notes: dependent variable = net tone of coverage (% of positive tone-% of negative tone); Piketty's 21st century capital was published in 2014. Robust standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1