The Information Economy:
Media Consumption, Political Networks, and Public Attitudes Toward Inflation

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Abstract

We seek to understand how individuals' views on inflation, unemployment, and the economy are influenced by the information they are exposed to through media usage, political talking partners, and other sources. Analyzing data from a nationally representative survey of 2000 US residents, administered through YouGov in August 2022, we show that individuals that consume more conservative media are more likely to view inflation (and unemployment) as serious problems, more likely to be pessimistic about the state of the US economy, and more likely to view President Joe Biden negatively. We also find that greater consumption of more "mainstream" media has exactly the opposite effects. Similarly, we find that individuals who speak about politics with more conservative talking partners are significantly more concerned about inflation and unemployment, and more pessimistic about the economy. Conversely, respondents who consume more mainstream media and speak about politics with more liberal talking partners are significantly less concerned about inflation and unemployment, and more optimistic about the economy. Through two experimental treatments embedded in our survey, we also explore the degree to which providing respondents with additional domestic and global context about the causes and magnitude of inflation shapes their views on the economy. In short, our analysis strongly suggests that the "information economy" in which individuals participate plays a crucial role in shaping their attitudes about the state of the real economy.

Introduction

In the wake of the COVID-19 pandemic, the US economy collapsed. Unemployment surged to a post-World War II high of 14.7%, and the economy shrank by 3.5% in 2020, the worst performance since 1946. By late 2022, however, the US had undergone an unprecedentedly rapid and near-total economic recovery. As of November 2022, unemployment has fallen back to 3.7%, below March 2020 levels. Labor force participation, which had fallen from 63.4% to 60.2% in early 2020, has risen to 62.2%. GDP, private real consumption, and business investment have all completely recovered to their pre-COVID trend growth lines, and household income and real wages were at exactly the level of Q1 2020. By almost any metric, this has been the most rapid and comprehensive economic recovery in American history, far more rapid than either the decade-long recovery from the Global Financial Crisis, or the long recovery from the Great Depression in the 1930s. Indeed, it took 14 years from the onset of the Great Depression for employment to return to 1929 levels. It took over eight years for unemployment to return to its pre-2008 level after the Great Recession, and real income and consumption have never fully recovered from the Global Financial Crisis and the Lost Decade that followed.

Yet despite this incredibly rapid and strong recovery, the public appears to be deeply pessimistic about the state of the US economy. Poll after poll shows that inflation remains among American voters' top concern and voters are more pessimistic about the US economy than at any point in decades. To be sure, inflation is high – higher than at any point in the US and other rich countries since the oil shocks of the 1970s. In January, the annualized consumer price index (CPI) in the US remained at an annualized rate of 6.4%, while core inflation (headline inflation, minus food and energy) remained at 5.6%. Yet, by many metrics, the material impact of high inflation on most Americans has been quite modest. Nominal gas prices, which surged to $5 in the aftermath

of Russia's February 2022 invasion of Ukraine, have fallen back to the mid-$3 range – below the nominal price level seen in 2012-14. Real (inflation-adjusted) wages and household income, despite a sharp decline from their mid-2021 peaks, remain exactly at the level of the first quarter of 2020. Most Americans still have substantially higher savings than pre-COVID, due in large part to the economic relief provided by both President Trump and President Biden in the form of stimulus checks in 2020-21. Moreover, both annualized and three-month moving averages of headline inflation have been steadily falling since mid-2022, indicating that we are likely past the "peak inflation" of mid-2021 in the US. Nonetheless, inflation continued to dominate public debate and media coverage in the runup to the 2022 midterm elections. Talk of looming recession and the dire state of the US economy remain dominant features of daily reporting in the country's major newspapers and leading television media outlets.

What explains this sizable disconnect between the material state of the US economy in the wake of the pandemic economic crisis/recovery and the popular narrative in media and political coverage? Such questions about the connection between the economy and political behavior are among the most central and enduring in political science (Hibbs 1977, Duch and Stevenson 2008, Healy and Malhotra 2013). Scholars of political communication and political behavior have shown that information ecosystems – both through individuals' political talking networks and their media consumption patterns – exert powerful influence over public opinion in American politics (e.g., (Mutz 2006, Knobloch-Westerwick and Meng 2011, Stroud 2011, Shah 2016, Shah et. al. 2017, Wagner and Gruszcynski 2016/2017, Wells et. al. 2017/2021, Friedland et. al. 2022). At the same time, a very large literature in international and comparative political economy has demonstrated how the economic shocks and crises of the last two decades – as well as government policy responses to them – have been a central determinant of political behavior, public opinion, and

electoral outcomes in the US, the European Union, and beyond (e.g., Baccini & Sattler forthcoming, Walter 2021/2017/2013, Baccini and Weymouth 2021, Ballard-Rosa et. al. 2021, Kim and Margalit 2021, Hübscher et. al. 2021, Broz et. al. 2021, Ahlquist et. al. 2020, Naoi 2020, Margalit 2019, Barnes & Hicks 2018, Jensen et. al. 2017, Copelovitch et. al. 2016, Hobolt and De Vries 2016, Fernandez-Albertos & Kuo 2016, Funke et. al. 2016, Hobolt and Leblond 2013, Margalit 2011).

In this paper, we seek to build on and synthesize these two bodies of research, focusing on public opinion in the United States on inflation, unemployment, and the state of the US economy in the wake of the economic shocks from the COVID-19 pandemic and Russia's invasion of Ukraine. We seek to understand how individuals' views on inflation and the state of the economy are influenced by the information they are exposed to through media usage, political talking partners, and other sources. Analyzing data from a nationally representative survey of 2000 US residents, administered through YouGov in August 2022, we show that individuals that consume more conservative media are more likely to view inflation (and unemployment) as serious problems for themselves and for the country, more likely to have pessimistic views about the future of the US economy, more likely to believe the US is currently in a recession (or will be in the months ahead), and more likely to view President Joe Biden negatively. We also find that greater consumption of more "mainstream" media has exactly the opposite effects on all of these outcomes. Similarly, we find that individuals who speak about politics with more conservative/Republican talking partners are significantly more concerned about inflation and unemployment, and more pessimistic about the current/future state of the US economy. Conversely, respondents who consume more mainstream media and speak about politics with more

liberal/Democratic talking partners are significantly less concerned about inflation and unemployment, and more optimistic about the current/future state of the US economy.

Through two experimental treatments embedded in our survey, we also explore the degree to which providing respondents with additional information about inflation, unemployment, and the economic recovery since 2021 – as well as information about the global context of inflation (both relative comparisons of US inflation to inflation in other rich countries, as well as the linkages between current inflation and the Russia/Ukraine war) – shapes individuals opinions about the state of the economy. Although neither of these treatments has unconditional effects on individuals' views about inflation, unemployment, or the trajectory of the US economy, we do find statistically and substantively significant heterogeneous partisan effects. Individuals that self-identity as Republicans become significantly *less* concerned about inflation and unemployment when given information about the global nature and causes of inflation in 2022. Conversely, individuals that self-identify as Democrats become significantly *more* concerned about inflation and unemployment when given the same global context.

Collectively, these findings strongly suggest that the information individuals receive about the economy – through media sources, political talking networks, and our experimental treatments – influences their views and beliefs about inflation, unemployment, the overall state/direction of the US economy, and their approval of the president. In short, our analysis strongly suggests that the "information economy" in which individuals participate plays a crucial role in shaping their attitudes about the real economy. These results hold controlling for a wide range of demographic and economic covariates that also shape individuals' views about the economy, including age, education, income, employment status, party identification, home ownership, and sensitivity to gas prices.

The remainder of the paper proceeds as follows. In the next section, we discuss the nature of media coverage of the US economy, noting both the overwhelming bias toward covering inflation and the possibility of a recession, as well as the significant variation in this bias across media outlets. We then discuss our core argument about information and individuals' beliefs about the economy and set forth our expectations about how media usage, political talking partners, and informational cues shape public opinion on inflation, unemployment, and the state of the economy. The empirical section of the paper describes our August 2022 YouGov survey in detail and presents regression models analyzing both the survey and experimental portions of the study. Finally, we conclude with thoughts on next steps in our research and the implications of our findings for our understanding of the relationship between political media and talking partners and public opinion on the economy.

Media coverage, inflation, and the US economy, 2021-23

The motivation for our project stems not only from the aforementioned gap between the material state of the US economy and public perceptions of it, but also from the composition of media coverage in the US on inflation and other aspects of the economy since January 2021. Since the passage of the American Rescue Plan in April 2021, media coverage of the economy has been overwhelmingly negative, with talk of recession and inflation dominating coverage of the sharp reductions in unemployment and the strong economic recovery. As Figure 1 illustrates, coverage of the economic recovery and the historically low unemployment rate has all but vanished from the headlines and pages of media outlets. Since January 2022 alone, the ratio of news articles on inflation, relative to those on unemployment, exceeds 21:1, while the ratio of articles on recession, relative to those on the economic recovery, exceeds 11:1 (Figure 1).

Figure 1: Nexis/Uni search results, all news articles, "inflation" vs "unemployment/jobs" vs "recession" vs "recovery" in title (+ "Biden" and "Federal Reserve" in article), 1/20/21-1/20/23

Nexis/Uni search results: all news articles, "inflation" vs "unemployment/jobs" vs "recession" vs "recovery" in title (+ "Biden" & "Federal Reserve" in article), January 2021 - January 2023
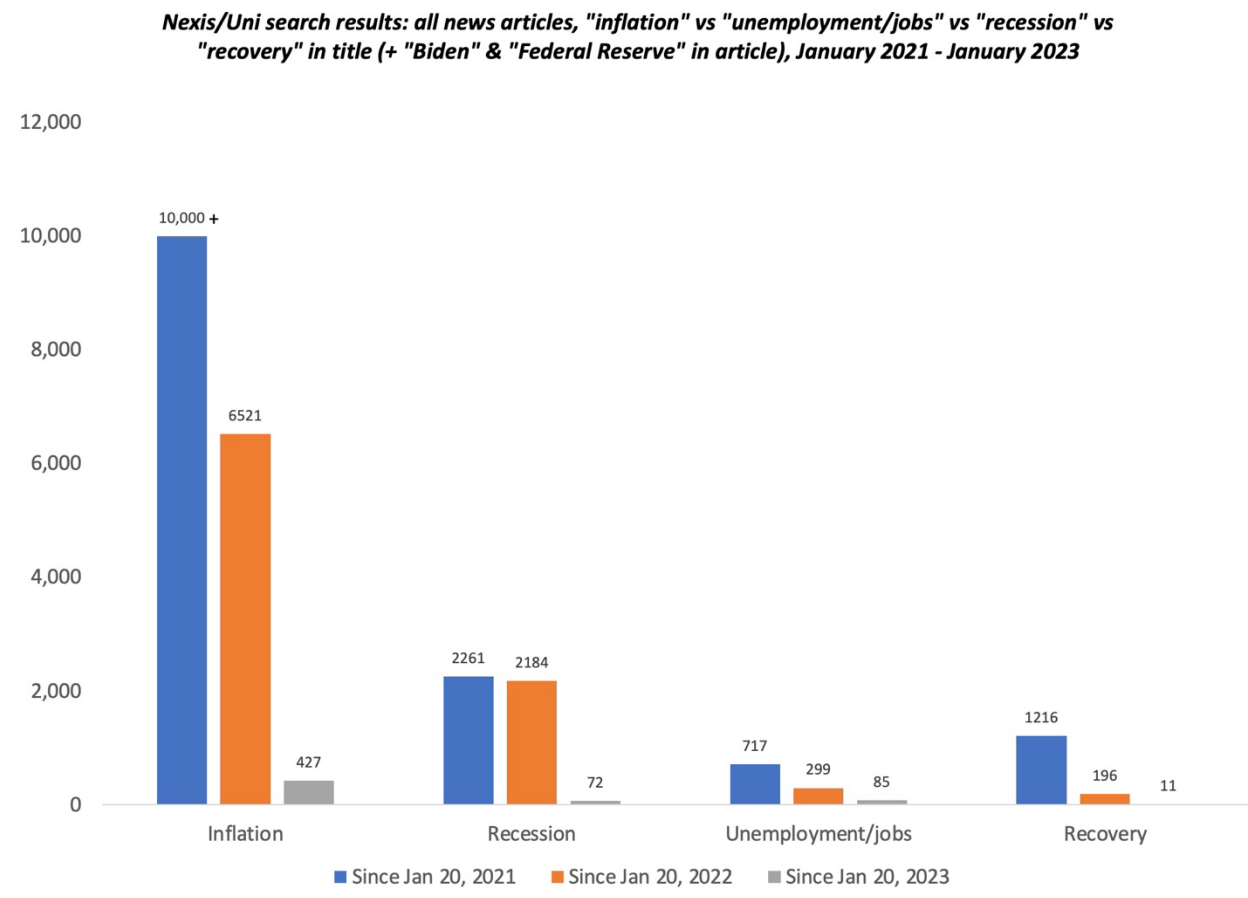
This bias toward coverage of inflation and recession has been especially pronounced in conservative media outlets. As an illustrative example, Figure 2 shows how attention to inflation varied between news sources. The *Wall Street Journal*, the most politically conservative of the US major national newspapers, covered inflation the most (more than 11,000 mentions from July 2021-July 2022) of any major print, television, or online media source. CNN and Fox News spent considerably more time covering inflation than MSNBC while, on network television, ABC spent more than twice as much time covering inflation the CBS and NBC combined. FOX News, the

Wall Street Journal, *Breitbart*, and the *Daily Caller* covered more than twice as often as CNN, *Huffington Post*, *Buzzfeed*, MSNBC, and Vox. Thus, for individuals who consume conservative media, the framing and messaging on the state of the US economy was even more pronounced and negative over the last year than for those consuming other media sources.

Figure 2: Mentions of Inflation by News Source, July 2021-July 2022
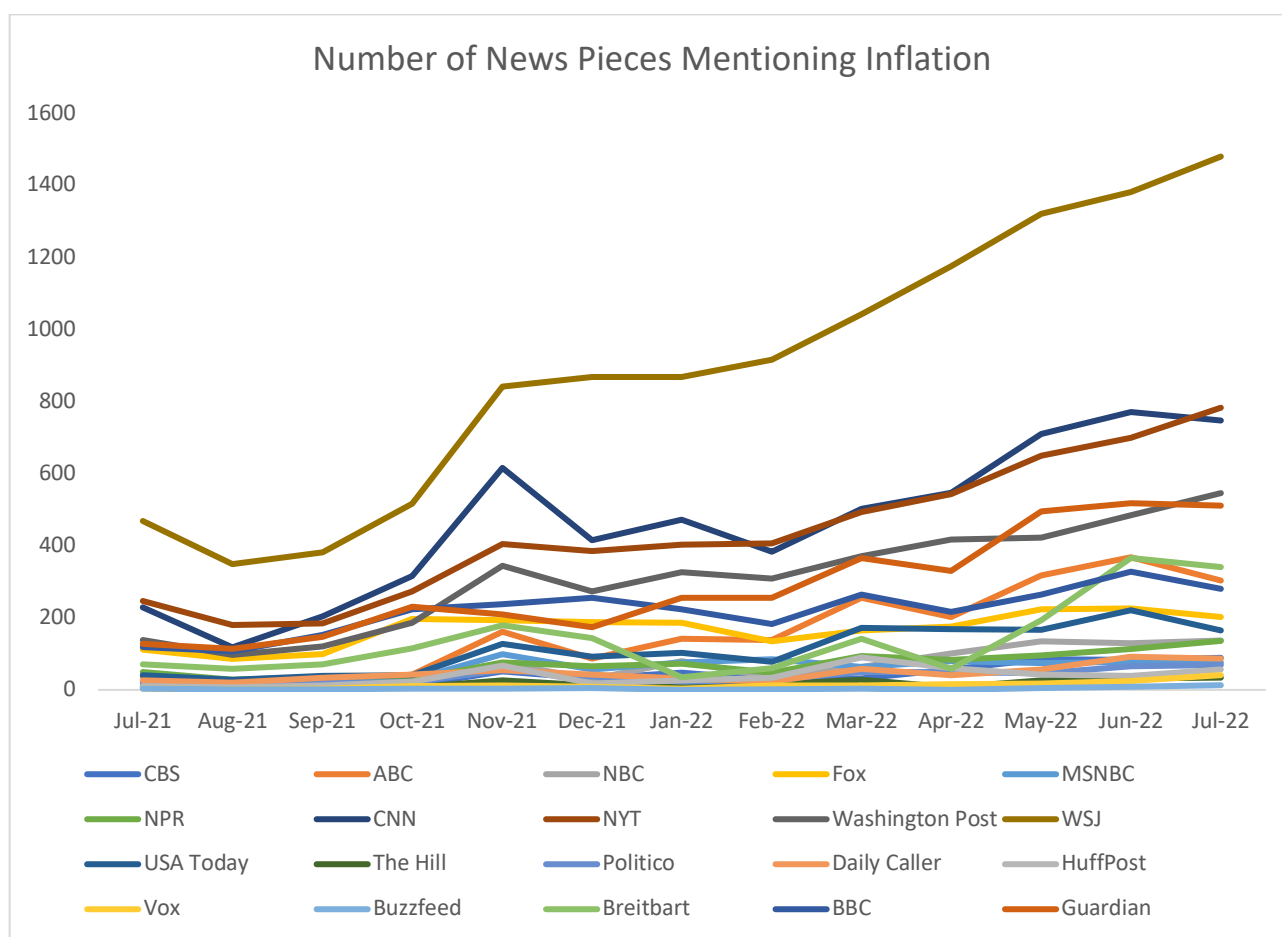
Argument and hypotheses

Our central argument in this paper is that individuals' views on the state of the economy are deeply influenced by the information they are exposed to through media usage and political talk with friends, family, and other people. In line with the existing literature on information ecosystems and public opinion, we expect that individuals' media consumption patterns and political talking partners will strongly influence their views on inflation, unemployment, the current and future direction of the economy, and their views of political leaders.

Scholars examine a variety of measures of political polarization to understand the growing contentiousness in American politics. With respect to policy preference, researchers have focused how partisan identities drive growing divisions among attitudes on specific issues (Baldassarri & Bearman, 2007; see also Mason 2018). Concomitantly, the widening emotional animosity individuals hold for members of the opposite major political party has been documented in affective polarization scholarship (Iyengar et al., 2012). One implication of these literatures is that partisans tend to exaggerate the extremity of the outgroup's beliefs of positions, and perceive expanding chasms between the positions of social groups (Yang et al., 2016).

These behaviors are rooted in an environment in which the more politically engaged tend to choose ideologically congruent news sources (Iyengar and Hahn 2009; Prior, 2007; Jamieson et al., 2007; Goldman & Mutz, 2011) and ideological outlets themselves are motivated to cater to what they perceived their audiences' views are (Polletta & Callahan, 2019). Synthesizing these findings, we argue that partisan news consumption may exacerbate issue positions on issues that dominate media attention (see Stroud 2017). Conversely, those who have more diverse information diets should be less likely to hold extreme views on these same issues.

Interpersonal communication networks are also likely to have an impact on individuals' attitudes. In terms of interpersonal communication with ingroup and outgroup members, research suggests that having conversation with like-minded others tends to reinforce individuals' existing attitudes (Hutchens et al., 2019). Cross-cutting interactions, on the other hand, may reduce polarized attitudes (Marcus - Newhall et al., 1993). Political conversation is the "soul of democracy," (Shah 2016) as the form of government requires conversation and negotiation across different groups (Habermas, 1994). Political conversation allows people to learn about politics, hear opposing views, build mutual understanding, and identify solutions for problems (Mutz, 2006; Wyatt et al., 2000; Eveland et al., 2009). However, in the current era of issue and affective polarization, people are becoming more reluctant to have political conversation (Wells et al., 2017). For example, a poll in 2020 found almost half of Americans have stopped talking about politics with others (Jurkowitz & Mitchell, 2020). Those who do expose themselves to people on the other side tend to have views that are less constrained by the positions expressed by their own political party.

As such, we test the following hypotheses in our empirical analysis below. First, given the patterns illustrated above in Figure 2, we expect that greater media consumption will be correlated with the belief that inflation (unemployment) is a more serious problem, the belief that the is currently in recession (August 2022) and will be in January 2023, and a lower level of approval for President Biden. We expect these effects will be particularly pronounced with consumption of more conservative media sources. Second, we expect to observe similar patterns with respect to political talking partners. All else equal, we expect that individuals whose political talking partners are more conservative than they are will be more likely to respond that inflation (unemployment) is a more serious problem, more likely to believe that the US is currently in recession or will be in

the future and will have a lower level of approval for President Biden. Conversely, we expect to see the opposite effects when an individual's political talking partners are more liberal than they are. Finally, we expect that providing individuals with more contextual information about the nature of inflation, unemployment, and the performance of the US economy will influence their views on these topics. We explore this through a series of experimental treatments embedded in our survey, which we describe in greater detail below in the next section of the paper.

Empirical analysis

In order to explore the relationship between information and individuals' views of the economy, we conducted a 15-minute online public opinion survey (N = 2000) of US residents, commissioned and implemented by YouGov in August 2022. In addition to questions about political talking partners and media consumption, the survey contains questions asking about participants views of inflation, unemployment, presidential approval, and the current and future state of the US economy. The data also contain a survey experiment we designed to shed light on how Americans think about these topics. Our questions were fielded from August 8-16, 2022.

YouGov interviewed 2336 respondents who were then matched down to a nationally representative sample of 2000 individuals to produce the final dataset. The respondents were matched to a sampling frame on gender, age, race, and education. The frame was constructed by stratified sampling from the full 2019 American Community Survey (ACS) 1-year sample with selection within strata by weighted sampling with replacements (using the person weights on the public use file). The matched cases were weighted to the sampling frame using propensity scores. The matched cases and the frame were combined, and a logistic regression estimated for inclusion in the frame. The propensity score function included age, gender, race/ethnicity, years of

education, and region. Th propensity scores were grouped into deciles of the estimated propensity score in the frame and post-stratified according to these deciles. The weights were then post-stratified on 2016 and 2020 Presidential vote choice, and a four-way stratification of gender, age (4-categories), race (4-categories), and education (4-categories), to produce the final weight.

Outcome variables

Our primary outcome variables are a set of metrics of respondents' concerns about the seriousness of *inflation* and *unemployment*. Each variable is a 1-5 Likert scale, ranging from "not at all concerned" (1) to "very concerned" (5):

- *IN1/UN1*: "How concerned are you about inflation (unemployment)?"
- *IN2/UN2:* "How big of a national problem is inflation (unemployment)?
- *IN3/UN3*: "How big a national problem do Democrats think inflation (unemployment) is?"
- *IN4/UN4*: "How big a national problem do Republicans think inflation (unemployment) is?"
- *IN5/UN5*: "How big of a problem do the news media think inflation (unemployment) is?"
- *IN6/UN6*: "How big of a problem is inflation (unemployment) for you and your family?"

Along with asking about respondents' views on inflation and unemployment, we also ask their views on three other issues: 1) whether or not they believe the US is currently in recession (August

2022) or will be in January 2023; 2) their retrospective and prospective beliefs about the direction

of the economy; and 3) their approval of President Joe Biden:

- *Recession 1* – Is the US currently in recession (August 2022)? (No = 0, Yes =1)
- *Recession 2* – US likelihood of recession in January 2023: 1-4 Likert scale, ranging from "not at all likely" (1) to "very likely" (5)
- *Economy retrospective*: US economy, 1-3 Likert scale, changes over past year, ranging from "gotten worse" (1) to "gotten better" (3)
- *Economy prospective*: US economy, 1-3 Likert scale, changes in next year, ranging from "get worse" (1) to "get better" (3)
- *Biden approval*: 1-5 Likert scale originally running from "Strongly disapprove" (1) to "Strongly approve" (5)

Explanatory variables

Our primary explanatory variables are measures of respondents' interest in political news, use of various media, and several measures of their political talking partners.

- *Political News Interest*: 1-4 Likert scale, running from "hardly at all" (1) to "most of the time" (4)
- *Media use*: a series of 1-5 Likert scale variables, running from "never" (1) to "very often" (5), for a range of media sources, including local newspapers, New York Times, Wall Street Journal, Washington Post, CNN, MSNBC, Fox News, Breitbart, conservative talk radio, national network news, social media, and other sources.
- *Political networks*: respondents were asked to list three people with whom they discuss politics, and how often they discuss politics with these people. We code *Frequency of talks* based on the <u>first</u> person named, using a 1-5 Likert scale, ranging from "never" (1) to "very often" (5).

Covariates

We also include a wide range of covariates in our models, including party identification (7-point scale, from "strong Democrat" to "strong Republican"), 2020 presidential vote, education, gender, birth year, family income, employment status, occupation, personal/household financial and employment situation, home ownership, state of residence, and whether the individual commutes to work (a proxy for interest in gas prices). Full descriptions of these variables used in the analysis, other variables measured in the survey, each of the questions asked in the YouGov survey are available in the survey codebook [here](#).

Partisan talking partners and media composition

Finally, we create four additional explanatory variables that draw on respondents' party identification, the information they provided about political talking partners, and their responses to the media usage questions about specific media outlets:

- *Partner More Liberal*: a dichotomous variable that takes the value of "1" if the respondent's primary talking partner is more liberal (on the 7-point party ID Likert scale) than they are.

- *Partner More Conservative*: a dichotomous variable that takes the value of "1" if the respondent's primary talking partner is more conservative (on the 7-point party ID Likert scale) than they are.

- *Consumes Conservative Media*: a dichotomous variable that takes the value of "1" if the individual reported consuming at least one of five major conservative media sources (Fox cable news programs, national conservative talk radio, Breitbart,

One America News Network, or the Daily Caller) fairly often or very often (4 or 5 on the 5-point Likert scale).

- *Consumes Mainstream Media*: a dichotomous variable that takes the value of "1" if the individual reported consuming at least one of five major "mainstream" media sources (CNN cable news programs, *New York Times*, *Washington Post*, and/or "the largest newspaper in your state") fairly often or very often (4 or 5 on the 5-point Likert scale).

Experimental treatments: domestic and international context

Along with the questions asked of all respondents, we embedded two experimental treatments in our survey. In the first, we explore whether providing respondents with different levels of information about inflation, unemployment, and the state of the US economy shapes their views about these topics and presidential approval. One-third of our sample received one of the three following "domestic context" vignettes about inflation and the US economy:

T0: Basic information about inflation levels in the US and its demand- and supply-side causes:

US annual inflation rose to 9.1% in June 2022, the highest level since 1982 and nearly 7% higher than in February 2020, just prior to the start of the Covid pandemic. Inflation occurs when consumer demand increases and/or supply decreases, causing prices of goods and services to rise. As the economy recovers from Covid, demand has increased for things people were not buying during the pandemic, such as travel and restaurant meals.

The economy is also struggling with supply chain constraints. When the pandemic hit, many companies closed or halted activity at their factories and are now facing shortages in raw materials. This has led to global shortages in computer chips, cars, and other goods, as well as rising fuel and food prices. Some experts are now warning of serious inflation problems like those of the late 1970s and early 1980s, when high inflation peaked at nearly 15% and lasted for nearly a decade.

T1: Basic information + information about the American Rescue Plan and its estimated contribution to US inflation:

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Many experts believe that the Biden administration's American Rescue Plan (ARP) has caused significantly higher inflation in the US than in the European Union, Canada, and other rich countries. The ARP extended and expanded tax credits and unemployment benefits, sent direct checks to most Americans, and provided aid to businesses and state governments during the pandemic. These programs are estimated to have raised US inflation by about 3% above pre-pandemic levels.

T2: Basic information + information about the ARP + information about US unemployment, the economic recovery in the US since February 2020, & the ARP's estimated contribution to the reduction in unemployment:

US annual inflation rose to 9.1% in June 2022, the highest level since 1982 and nearly 7% higher than in February 2020, just prior to the start of the Covid pandemic. Inflation occurs when consumer demand increases and/or supply decreases, causing prices of goods and services to rise. As the economy recovers from Covid, demand has increased for things people were not buying during the pandemic, such as travel and restaurant meals.

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Despite high inflation, the US economy has experienced an unprecedentedly rapid recovery from the Covid economic crisis. Unemployment, which rose from 3.5% in January 2020, to a post-World War II high of 14.7% in April 2020, is now back to 3.5%. Median household income and wages are now higher, even adjusting for inflation, than before the pandemic. Many experts have noted that the Biden administration's policies – including the American Rescue Plan – played a major role in this rapid recovery since he took office.

In this experimental analysis, our expectation is that recipients of T1 will be more concerned about inflation (unemployment, more pessimistic about the state of the US economy, and less supportive of Joe Biden) than recipients of T0. We also expect recipients of T2 to be less concerned about inflation (unemployment, more optimistic about the state of the US economy, more supportive of Joe Biden than recipients of T1. We do not have strong priors about the net effect of T2 vs T0.

Global context treatment

One half of the recipients of all three inflation vignettes (T0, T1, T2) also received T3, information providing additional context on the global nature of inflation, comparative data on US inflation vs inflation levels in other rich countries, & information about the Russia-Ukraine war and its links to high US and global inflation since March 2022:

Inflation is not only high in the US, but also around the world. In June 2022, annual inflation was 9.1% in the US, 8.1% in Canada, 9.3% in the United Kingdom, and 7.6% in Germany. In the European Union, annual inflation was 8.6% among countries using the Euro. Average annual inflation across developed countries is now 9.6%.

Both in the US and globally, inflation is now being driven primarily by rising energy and food prices. Russia's invasion of Ukraine in February 2022 has made supply shortages even worse, since Russia is the world's third-largest oil producer, as well as a major producer of wheat and metals. The US, European Union, and other allies have responded to the invasion with massive economic sanctions on Russia and military aid for Ukraine. The sanctions include asset freezes, trade restrictions, and other financial penalties designed to weaken Russia's economy and reduce its ability to finance the war.

As a result of the war and sanctions, gas prices, food prices, and overall inflation have increased further in the US and around the world since February. Many experts now expect inflation to last significantly longer than was expected before the Ukraine war.

Our expectation here is that those receiving the global context treatment will be more likely to view inflation as a serious problem (more pessimistic about the economy's direction). We also expect these respondents to view President Biden more favorably, as providing global context makes respondents more aware of the global nature of the inflation shock, and therefore ameliorates the drag on Biden's approval due to higher inflation.

Preliminary descriptives and exploratory models

Figures 3-5 provide some basic descriptive correlations in our data. They show that concern about inflation is strongly correlated with both how closely individuals follow political news and how much they engage in political talk with partners. They also illustrate that conservative media consumption is strongly correlated with deeper concerns about the degree to which inflation is a problem among our survey respondents.

Figure 3: Inflation concern by political news interest

Closely following politics news	Very conc	Concerned	Somewhat	Not very	Not at al	Total
Very closely	378	158	99	25	8	668
	56.59	23.65	14.82	3.74	1.20	100.00
Somewhat closely	409	202	117	21	5	754
	54.24	26.79	15.52	2.79	0.66	100.00
Not very closely	172	112	71	16	5	376
	45.74	29.79	18.88	4.26	1.33	100.00
Not at all	63	35	34	15	6	153
	41.18	22.88	22.22	9.80	3.92	100.00
Don't know	11	7	26	3	2	49
	22.45	14.29	53.06	6.12	4.08	100.00
Total	1,033	514	347	80	26	2,000
	51.65	25.70	17.35	4.00	1.30	100.00

Concern about inflation -- How concerned are you about inflation?

Figure 4: Inflation concern by political talk

Person 1 - Frequency of talks	Very conc	Concerned	Somewhat	Not very	Not at al	Total
Never	2	3	1	0	1	7
	28.57	42.86	14.29	0.00	14.29	100.00
Rarely	21	20	7	2	2	52
	40.38	38.46	13.46	3.85	3.85	100.00
Occasionally	126	71	35	8	4	244
	51.64	29.10	14.34	3.28	1.64	100.00
Fairly often	179	93	55	17	5	349
	51.29	26.65	15.76	4.87	1.43	100.00
Very often	510	235	148	25	6	924
	55.19	25.43	16.02	2.71	0.65	100.00
Total	838	422	246	52	18	1,576
	53.17	26.78	15.61	3.30	1.14	100.00

Concern about inflation -- How concerned are you about inflation?

Figure 5: Inflation concern by conservative media consumption

Conservative_Media	Concern about inflation -- How concerned are you about inflation?					Total
	Very conc	Concerned	Somewhat	Not very	Not at al	
0	681	417	312	71	16	1,497
	45.49	27.86	20.84	4.74	1.07	100.00
1	352	97	35	9	10	503
	69.98	19.28	6.96	1.79	1.99	100.00
Total	1,033	514	347	80	26	2,000
	51.65	25.70	17.35	4.00	1.30	100.00

Tables 1 and 2 illustrate the results of two sets of exploratory models that we conduct before presenting our main analysis. In Table 1, we show the results of weighted OLS regressions exploring the effect of news interest and political talk on inflation concerns. We see a strong positive correlation between how closely individuals follow political news and how serious of a concern they believe inflation is for them (models 1 and 2). We also find that individuals that follow political news more closely are less likely to believe that the Democratic Party thinks inflation is a problem, more likely to believe that Republicans think inflation is a problem, and less likely to believe that the media think inflation is a problem. We leave exploration of these somewhat unexpected findings in models 3-5 for future work. At the same time, we find only a weak positive effect in models 2 and 6 between frequency of political talk and inflation concerns.

In Table 2, we explore the relationship between usage of a range of representative specific media outlets across television news, print media, online sources, and conservative media. Here, we see a stronger and more consistent correlation between political talk and inflation concerns, which we explore more deeply in our main models below. Most importantly, this set of regressions

illustrates the significant and positive correlation between conservative media consumption (Fox News, talk radio, Breitbart) and inflation concerns, and the significant and negative correlation between consumption of more "mainstream" media sources (New York Times, Washington Post, MSNBC) and inflation concerns. Again, we explore the ramifications of these preliminary findings in greater detail below.

Table 1: New interest, political talk, and inflation concerns

VARIABLES	(1) Inflation - Concern for You	(2) Inflation - Problem for You	(3) Inflation - Problem for Dems	(4) Inflation - Problem for Reps	(5) Inflation - Problem for Media	(6) Inflation - Problem for Family
News Interest	0.120***	0.110**	-0.116**	0.208***	-0.150***	0.057
	(0.043)	(0.048)	(0.048)	(0.046)	(0.043)	(0.045)
Frequency of Talks	0.051	0.067*	0.004	0.042	0.038	0.063*
	(0.036)	(0.036)	(0.040)	(0.038)	(0.040)	(0.038)
Education	-0.043**	-0.047***	0.031	0.030	0.055**	-0.058***
	(0.020)	(0.017)	(0.024)	(0.022)	(0.024)	(0.022)
Woman	0.101	0.136**	0.165**	-0.155**	0.214***	0.035
	(0.062)	(0.063)	(0.072)	(0.067)	(0.070)	(0.065)
Family Income	-0.001	0.013	-0.009	0.016	-0.007	-0.037***
	(0.010)	(0.009)	(0.011)	(0.011)	(0.011)	(0.011)
7 point Party ID	0.125***	0.119***	-0.312***	0.110***	-0.224***	0.122***
	(0.013)	(0.012)	(0.015)	(0.014)	(0.015)	(0.014)
Birth Year	0.002	0.002	0.008***	-0.001	0.003	0.007**
	(0.002)	(0.002)	(0.003)	(0.003)	(0.003)	(0.003)
Owns Home	-0.161**	-0.096*	-0.159**	0.017	-0.067	-0.136**
	(0.065)	(0.058)	(0.078)	(0.078)	(0.078)	(0.068)
Constant	-0.922	-0.504	-11.638**	4.583	-1.089	-10.060*
	(4.210)	(4.026)	(5.530)	(5.120)	(5.451)	(5.278)
Observations	1,376	1,376	1,372	1,376	1,375	1,376
R-squared	0.138	0.163	0.382	0.166	0.269	0.153

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, *p<0.10

Table 2: Media usage (by outlet), frequency of political talk, and inflation concerns

How much is inflation a concern for you?

Variables	Fox News	MSNBC	CNN	New York Times	Washington Post	Wall Street Journal	Local newspapers	Local TV	Conservative talk radio	Breitbart	Facebook
Recent media use	0.095***	-0.108***	-0.042	-0.089***	-0.105***	-0.044	-0.009	0.004	0.087***	0.090***	0.000
	(0.019)	(0.030)	(0.027)	(0.030)	(0.029)	(0.032)	(0.020)	(0.019)	(0.022)	(0.029)	(0.018)
Frequency of Talks	0.075**	0.062*	0.065*	0.076**	0.075**	0.070**	0.073**	0.061*	0.083**	0.078**	0.054*
	(0.034)	(0.034)	(0.034)	(0.033)	(0.033)	(0.034)	(0.034)	(0.034)	(0.034)	(0.034)	(0.033)
Education	-0.035*	-0.040**	-0.037*	-0.026	-0.026	-0.033	-0.037*	-0.045**	-0.035*	-0.043**	-0.040**
	(0.020)	(0.020)	(0.020)	(0.021)	(0.021)	(0.021)	(0.021)	(0.019)	(0.020)	(0.020)	(0.020)
Woman	0.076	0.029	0.049	0.035	0.029	0.039	0.055	0.053	0.075	0.071	0.059
	(0.058)	(0.056)	(0.057)	(0.056)	(0.056)	(0.056)	(0.059)	(0.057)	(0.059)	(0.058)	(0.059)
Family Income	-0.001	0.002	0.001	0.003	0.005	0.002	0.001	0.004	-0.003	-0.001	0.000
	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)	(0.010)	(0.009)	(0.010)	(0.010)	(0.010)
7 point Party ID	0.100***	0.095***	0.112***	0.107***	0.105***	0.120***	0.121***	0.125***	0.106***	0.113***	0.119***
	(0.014)	(0.016)	(0.015)	(0.015)	(0.014)	(0.014)	(0.014)	(0.013)	(0.015)	(0.014)	(0.014)
Birth Year	0.000	-0.000	0.000	0.001	0.001	0.001	0.000	0.001	0.000	0.000	0.001
	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)	(0.002)
Owns Home	-0.154**	-0.142**	-0.152**	-0.155**	-0.158**	-0.150**	-0.155**	-0.163***	-0.146**	-0.153**	-0.134**
	(0.065)	(0.066)	(0.067)	(0.065)	(0.065)	(0.066)	(0.066)	(0.063)	(0.066)	(0.066)	(0.065)
Constant	2.993	4.091	3.300	1.010	1.287	1.838	2.839	1.642	2.829	3.144	1.397
	(4.179)	(4.276)	(4.251)	(4.239)	(4.237)	(4.260)	(4.285)	(4.216)	(4.220)	(4.228)	(4.171)
Observations	1,376	1,378	1,375	1,378	1,377	1,380	1,378	1,379	1,378	1,380	1,380
R-squared	0.145	0.145	0.131	0.141	0.144	0.132	0.130	0.137	0.140	0.136	0.127

Robust standard errors in parentheses
State fixed effects, employment status, & weights not shown
*** p<0.01, ** p<0.05, * p<0.10

Regression results

Tables 3-5 provide the results of our main regressions. In each table, we show the results of OLS regressions, weighted by sample weights, with robust standard errors. Table 1 presents the results using our inflation outcome variables as the dependent variables. Table 2 presents the results using our unemployment outcome variables. Table 3 presents the results using individuals' beliefs about whether the US economy is/will be in a recession, beliefs about the prospective/retrospective direction of the US economy, and Biden approval as the dependent variables. Each of these models includes the battery of covariates described above, along with fixed effects for the respondent's state of residence.

Across all three sets of models, we find clear and consistent results on our explanatory variables of interest. In Table 1, we see that conservative media consumption is correlated with individuals having a significantly greater likelihood of responding that inflation is a serious concern for them, the country, and their families (models 1, 2, and 6). Conversely, we see the exact

opposite for mainstream media consumption. The same holds true in Table 2 for unemployment. Respondents that consume more conservative media are significantly more likely to respond that unemployment is a serious for themselves, the country, and their families (models 1, 2, and 6) while mainstream media consumption is negatively and significantly correlated with beliefs about the seriousness of unemployment as a national problem (model 2). Finally, in Table 3, we see that conservative media consumption is correlated with a greater likelihood of believe the US is in a recession now (August 2022, model 1), will be in the future (January 2023, model 2), more negative views of the direction of the economy retrospectively (model 3) and prospectively (model 4), and more negative views of Joe Biden (model 5). Conversely, greater consumption of mainstream media is significantly correlated with each of these dependent variables in the *opposite* direction.

Table 3: Media consumption, political talking partners, and inflation concerns

Model	1	2	3	4	5	6
Variable	Inflation - Concern for You	Inflation - National Problem	Inflation - Size of Problem for Democrats	Inflation - Size of Problem for Republicans	Inflation - Size of Problem for Media	Inflation - Size of Problem for your Family
News Interest	0.067	0.088*	-0.097	0.203***	-0.151***	0.037
	-0.042	-0.046	-0.060	-0.049	-0.051	-0.043
Consumes Conservative Media	0.302***	0.199***	-0.489***	0.093	-0.524***	0.375***
	-0.059	-0.055	-0.084	-0.069	-0.087	-0.071
Consumes Mainstream Media	-0.263***	-0.320***	0.668***	-0.103	0.629***	-0.254***
	-0.064	-0.063	-0.083	-0.074	-0.078	-0.067
Frequency of Political Talk	0.045	0.067**	-0.047	0.04	0.023	0.044
	-0.032	-0.033	-0.043	-0.037	-0.042	-0.035
Talking Partner More Conservative Than You	0.096	0.064	-0.193**	0.032	-0.028	0.079
	-0.069	-0.064	-0.081	-0.083	-0.083	-0.074
Talking Partner More Liberal Than You	-0.124*	-0.113*	0.124	-0.088	0.234**	-0.162**
	-0.068	-0.067	-0.094	-0.080	-0.092	-0.081
Democrat	-0.295***	-0.252***	0.857***	-0.252***	0.433***	-0.313***
	-0.073	-0.066	-0.087	-0.086	-0.086	-0.079
Republican	0.139**	0.150**	-0.389***	0.264***	-0.374***	0.045
	-0.068	-0.069	-0.102	-0.082	-0.100	-0.081
Education	-0.038*	-0.043**	0.036	0.028	0.055**	-0.045**
	-0.021	-0.018	-0.024	-0.022	-0.025	-0.022
Female	0.044	0.088	0.177**	-0.176***	0.228***	0.008
	-0.058	-0.060	-0.078	-0.067	-0.074	-0.063
Family Income	-0.005	0.011	-0.003	0.008	-0.009	-0.037***
	-0.009	-0.009	-0.011	-0.011	-0.011	-0.011
Birth Year	0.002	0.001	0.011***	-0.001	0.004*	0.005**
	-0.002	-0.002	-0.002	-0.003	-0.003	-0.002
Owns Home	-0.066	-0.007	-0.182**	0.027	-0.057	-0.066
	-0.065	-0.058	-0.078	-0.082	-0.077	-0.07
Commutes to Work	-0.101	0.021	-0.114	0.032	-0.127	-0.171**
	-0.067	-0.058	-0.080	-0.079	-0.082	-0.073
Unemployed	-0.058	-0.28	-0.237	-0.187	-0.227	-0.028
	-0.152	-0.212	-0.247	-0.190	-0.222	-0.162
Retired	0.065	0.023	-0.066	0.067	-0.089	0.043
	-0.089	-0.078	-0.106	-0.099	-0.105	-0.102
Constant	0.524	1.046	-18.012***	5.038	-4.968	-5.864
	-4.022	-3.818	-4.958	-5.103	-5.142	-4.773
Observations	1,273	1,273	1,269	1,273	1,272	1,273
R-squared	0.162	0.18	0.42	0.153	0.328	0.167
State FE	YES	YES	YES	YES	YES	YES
Robust standard errors in parentheses						
*** p<0.01, ** p<0.05, * p<0.10						

Table 4: Media consumption, political talking partners, and unemployment concerns

Model	1	2	3	4	5	6
Variable	Unemployment - Concern for You	Unemployment - National Problem	Unemployment - Democrats See as a Problem	Unemployment - Republicans See as a Problem	Unemployment - Media Sees as a Problem	Unemployment - Problem for your Family
News Interest	0.004	-0.090**	-0.212***	0.016	-0.211***	-0.114**
	-0.047	-0.044	-0.044	-0.051	-0.041	-0.051
Consumes Conservative Media	0.522***	0.507***	-0.08	0.290***	-0.037	0.592***
	-0.089	-0.08	-0.081	-0.086	-0.08	-0.088
Consumes Mainstream Media	0.017	-0.156**	0.323***	-0.045	0.394***	0.038
	-0.082	-0.072	-0.076	-0.082	-0.074	-0.079
Frequency of Political Talk	-0.033	-0.007	-0.036	-0.028	-0.014	-0.043
	-0.043	-0.038	-0.039	-0.041	-0.038	-0.046
Talking Partner More Conservative Than You	0.09	-0.013	-0.119	-0.143	-0.046	0.042
	-0.091	-0.084	-0.082	-0.094	-0.081	-0.09
Talking Partner More Liberal Than You	-0.183*	-0.217**	0.178**	-0.193**	0.106	-0.104
	-0.098	-0.086	-0.087	-0.094	-0.086	-0.095
Democrat	-0.092	0.084	0.704***	-0.096	0.397***	0.121
	-0.098	-0.087	-0.089	-0.1	-0.084	-0.097
Republican	-0.002	0.166*	-0.117	0.228**	-0.150*	-0.022
	-0.1	-0.088	-0.091	-0.097	-0.089	-0.1
Education	-0.007	-0.022	-0.003	-0.02	-0.01	-0.004
	-0.029	-0.025	-0.025	-0.028	-0.024	-0.028
Female	0.068	0.013	0.141**	-0.172**	0.142**	-0.076
	-0.077	-0.066	-0.068	-0.078	-0.066	-0.075
Family Income	-0.049***	-0.045***	-0.027**	-0.026**	-0.032***	-0.075***
	-0.012	-0.012	-0.012	-0.013	-0.012	-0.013
Birth Year	0.009***	0.006**	0.014***	0.002	0.008***	0.014***
	-0.003	-0.003	-0.003	-0.003	-0.003	-0.003
Owns Home	-0.06	-0.151*	-0.159**	-0.136	-0.057	-0.154*
	-0.09	-0.081	-0.078	-0.088	-0.075	-0.092
Commutes to Work	-0.116	-0.063	-0.127	-0.084	-0.098	-0.117
	-0.09	-0.082	-0.083	-0.09	-0.082	-0.091
Unemployed	0.826***	0.157	-0.07	0.039	-0.117	0.862***
	-0.151	-0.133	-0.16	-0.199	-0.15	-0.201
Retired	-0.135	-0.17	-0.137	0.031	-0.089	-0.137
	-0.129	-0.114	-0.104	-0.124	-0.105	-0.126
Constant	-14.499**	-8.763*	-24.443***	0.422	-11.796**	-24.670***
	-5.913	-5.243	-5.065	-5.723	-5.155	-5.847
Observations	1,273	1,273	1,272	1,272	1,273	1,273
R-squared	0.173	0.172	0.311	0.092	0.22	0.253
State FE	YES	YES	YES	YES	YES	YES
Robust standard errors in parentheses						
*** p<0.01, ** p<0.05, * p<0.10						

Table 5: Media consumption, recession/state of economy/Biden approval views

Model	1	2	3	4	5
Variable	US Currently in Recession	US Recession Likelihood in January 2023	US Economy - Change in Past Year	US Economy - Change in Next Year	President Biden Approval
News Interest	-0.032*	0.063*	0.086***	-0.039	0.013
	-0.018	-0.037	-0.027	-0.036	-0.047
Consumes Conservative Media	0.174***	0.275***	-0.128***	-0.299***	-0.453***
	-0.028	-0.054	-0.045	-0.053	-0.074
Consumes Mainstream Media	-0.232***	-0.475***	0.291***	0.439***	0.802***
	-0.031	-0.059	-0.045	-0.056	-0.077
Frequency of Political Talk	-0.008	0.031	-0.014	0.033	-0.077**
	-0.015	-0.03	-0.024	-0.029	-0.038
Talking Partner More Conservative Than You	0.060*	0.152**	-0.112*	-0.057	-0.221***
	-0.035	-0.064	-0.057	-0.063	-0.079
Talking Partner More Liberal Than You	-0.026	-0.061	0.08	0.217***	0.255***
	-0.031	-0.063	-0.049	-0.059	-0.085
Democrat	-0.157***	-0.294***	0.310***	0.460***	1.381***
	-0.039	-0.069	-0.06	-0.068	-0.089
Republican	0.065**	0.133**	-0.194***	-0.251***	-0.753***
	-0.032	-0.066	-0.05	-0.061	-0.086
Education	-0.029***	-0.02	0.022	0.027	0.070***
	-0.009	-0.019	-0.015	-0.017	-0.022
Female	0.031	0.113**	-0.055	-0.141***	0.156**
	-0.027	-0.053	-0.045	-0.052	-0.067
Family Income	0.003	-0.001	-0.007	-0.009	-0.014
	-0.005	-0.009	-0.007	-0.008	-0.01
Birth Year	0.002**	0	-0.002	-0.001	-0.001
	-0.001	-0.002	-0.002	-0.002	-0.003
Owns Home	0.056*	0.027	-0.02	-0.018	-0.103
	-0.033	-0.061	-0.052	-0.058	-0.074
Commutes to Work	-0.036	0.007	-0.097*	-0.09	-0.055
	-0.034	-0.063	-0.05	-0.058	-0.078
Unemployed	0.055	-0.135	0.003	0.114	0.374*
	-0.062	-0.142	-0.098	-0.142	-0.196
Retired	0.066	0.001	0	0.103	-0.033
	-0.042	-0.079	-0.066	-0.074	-0.106
Constant	-3.37	2.193	5.507*	4.672	5.089
	-2.082	-3.781	-3.184	-3.727	-5.194
Observations	1,077	1,142	1,235	1,177	1,261
R-squared	0.259	0.238	0.213	0.315	0.593
State FE	YES	YES	YES	YES	YES
Robust standard errors in parentheses					
*** p<0.01, ** p<0.05, * p<0.10					

We also find some evidence that political talking partners shape respondents' views about the economy. The strongest results are those associated with more liberal talking partners. In Table 3, we see that having more liberal talking partners is correlated with respondents' being less concerned about inflation (models 1, 2, and 6), while in Table 4 we see similar results concerning unemployment (models 1 and 2). Similarly, in Table 5 we see that more liberal talking partners are significantly correlated with both more positive views about the direction of the US economy

in the next year (model 5) and Biden approval (model 6). The results on conservative talking partners are more mixed across these three sets of models. However, we do see in Table 5 that conservative talking partners are associated with greater likelihood of believing the US is or will be in recession (models 1 and 2), more negative views of the direction of the US economy over the last year (model 3), and more negative views of President Biden (model 5).

Heterogeneous effects: partisanship and news interest

In our analysis, we also explore a broad range of interactions between our core explanatory variables and the covariates in our analysis. Overall, we find limited evidence of heterogeneous effects across age, income, work status, and other demographic variables, or between media consumption and political talking partners. However, we do find clear evidence partisan effects among our survey respondents. Table 6 illustrates this in the context of inflation concerns. Those who follow political news more closely are significantly more likely to respond that inflation is a problem for themselves, their families, and the country, but only if they are self-identified Republicans. On the other hand, those who follow political news more closely but are self-identified Democrats are significantly less likely to view inflation as a problem on all three dimensions. We plan to explore these partisan heterogeneous effects in greater detail in further analysis.

Table 6: Political news interest, party identification, and inflation concerns

Model	1	2	3	4	5	6
Variable	Inflation - Concern for You	Inflation - National Problem	Inflation - Problem for your Family	Inflation - Concern for You	Inflation - National Problem	Inflation - Problem for your Family
News Interest	-0.035	-0.017	-0.048	0.143***	0.148***	0.112**
	-0.041	-0.038	-0.047	-0.05	-0.056	-0.05
Identifies as Republican	-0.880***	-0.899***	-0.796***	0.160**	0.167**	0.066
	-0.284	-0.32	-0.279	-0.067	-0.066	-0.08
Identifies as Democrat	-0.311***	-0.268***	-0.326***	0.529**	0.404	0.511*
	-0.072	-0.066	-0.079	-0.268	-0.255	-0.273
New Interest*Republican	0.310***	0.319***	0.255***			
	-0.081	-0.089	-0.082			
News Interest*Democrat				-0.248***	-0.197***	-0.248***
				-0.076	-0.074	-0.079
Consumes Conservative Media	0.254***	0.150***	0.336***	0.258***	0.165***	0.332***
	-0.061	-0.054	-0.072	-0.061	-0.055	-0.072
MainMedia	-0.223***	-0.278***	-0.220***	-0.232***	-0.295***	-0.223***
	-0.059	-0.056	-0.066	-0.062	-0.060	-0.066
Frequency of Political Talk	0.050	0.072**	0.048	0.049	0.071**	0.048
	-0.032	-0.031	-0.035	-0.032	-0.032	-0.035
Talking Partner More Conservative Than You	0.115*	0.084	0.095	0.112	0.077	0.095
	-0.068	-0.063	-0.074	-0.069	-0.064	-0.075
Talking Partner More Liberal Than You	-0.122*	-0.111*	-0.161**	-0.129*	-0.117*	-0.167**
	-0.066	-0.063	-0.08	-0.067	-0.067	-0.08
Education	-0.037*	-0.042**	-0.045**	-0.039*	-0.044**	-0.047**
	-0.02	-0.017	-0.022	-0.021	-0.018	-0.022
Female	0.036	0.080	0.001	0.054	0.097	0.018
	-0.055	-0.055	-0.061	-0.057	-0.060	-0.063
Family Income	-0.004	0.012	-0.036***	-0.003	0.013	-0.035***
	-0.009	-0.008	-0.010	-0.009	-0.009	-0.011
Birth Year	0.002	0.002	0.005**	0.002	0.001	0.005**
	-0.002	-0.002	-0.002	-0.002	-0.002	-0.002
Owns Home	-0.068	-0.009	-0.067	-0.073	-0.012	-0.072
	-0.064	-0.056	-0.07	-0.065	-0.058	-0.07
Commutes to work	-0.097	0.026	-0.167**	-0.100	0.023	-0.170**
	-0.065	-0.057	-0.072	-0.066	-0.058	-0.072
Unemployed	-0.015	-0.236	0.008	-0.031	-0.259	-0.001
	-0.132	-0.182	-0.148	-0.146	-0.204	-0.155
Retired	0.061	0.018	0.039	0.07	0.026	0.048
	-0.09	-0.077	-0.103	-0.09	-0.078	-0.103
Constant	-0.018	0.488	-6.311	0.005	0.633	-6.382
	-3.992	-3.775	-4.723	-4.03	-3.829	-4.78
Observations	1,273	1,273	1,273	1,273	1,273	1,273
R-squared	0.178	0.201	0.175	0.171	0.187	0.174
State FE	YES	YES	YES	YES	YES	YES
Robust standard errors in parentheses						
*** p<0.01, ** p<0.05, * p<0.10						

Experimental treatments

While our analysis above finds clear and consistent support for the argument that information – in the form of media consumption and political talking networks – strongly influences public opinion on the economy, we find less clear evidence in our experimental analysis. Across our various outcome variables, the domestic context treatments do not seem to have

significant effects. We do, however, find evidence that those respondents who did receive the global context treatment are more concerned about the seriousness of unemployment as a problem, and more pessimistic about the likelihood of the US being in a recession in January 2023. These results are consistent with our overall informational argument: providing respondents with more information about the global scale of inflation, supply chain difficulties related to COVID-19, and the economic problems stemming from Russia's invasion of Ukraine in February 2022 appears to increase concerns about the future direction of the US economy and the speed of the economic recovery from the pandemic economic crisis.

Although the experimental treatments do not have broad effects, we again find clear partisan heterogeneous effects in this analysis. Table 7 presents these results. Republicans who receive the global context treatment are significantly *less* likely to respond that inflation or unemployment is a problem, while Democrats who receive the global context treatment are significantly *more* likely to respond in this way. Teasing out the causal mechanisms underlying this requires more research, but our preliminary interpretation is that providing self-identified Democrats with information that inflation is a broader problem beyond the US and is now partially the result of the Russia-Ukraine war reduces their confidence in the Biden administration's "control" of the problem. Conversely, we suspect that providing self-identified Republicans with this global context offsets their inclination to view inflation, unemployment, and problems in the US economy purely through the lens of US domestic politics; rather information that inflation and economic problems are global in scale at least partially offsets Republicans' instinct to blame US inflation and unemployment on American policies and the Biden administration.

Table 7: Global context treatment, partisanship, and views on the economy

Model	1	2	3	4	5	6	7	8
Variable	Inflation - Concern for You	Unemployment - Concern for You	US Recession Currently	US Recession January 2023	Inflation - Concern for You	Unemployment - Concern for You	US Recession Currently	US Recession January 2023
Global context (yes)	0.115*	0.308***	0.048	0.184***	-0.065	-0.037	0.010	0.112**
	-0.069	-0.088	-0.034	-0.063	-0.063	-0.094	-0.028	-0.056
Identifies as Republican	0.267***	0.206	0.099***	0.178**	0.141**	0.010	0.067**	0.145**
	-0.091	-0.127	-0.038	-0.086	-0.068	-0.100	-0.032	-0.065
Global context*Republican	-0.259**	-0.401**	-0.066	-0.068				
	-0.111	-0.162	-0.051	-0.097				
Identifies as Democrat	-0.295***	-0.093	-0.158***	-0.294***	-0.441***	-0.421***	-0.182***	-0.371***
	-0.073	-0.098	-0.038	-0.068	-0.093	-0.123	-0.049	-0.092
Global context*Democrat					0.280**	0.628***	0.048	0.150
					-0.120	-0.152	-0.062	-0.110
News Interest	0.070	0.010	-0.032*	0.065*	0.073*	0.018	-0.031*	0.066*
	-0.043	-0.047	-0.018	-0.036	-0.042	-0.047	-0.018	-0.036
Consumes Conservative Media	0.299***	0.508***	0.171***	0.264***	0.295***	0.500***	0.171***	0.262***
	-0.059	-0.088	-0.027	-0.054	-0.059	-0.087	-0.028	-0.054
Consumes Mainstream Media	-0.267***	0.01	-0.232***	-0.478***	-0.265***	0.012	-0.231***	-0.478***
	-0.064	-0.082	-0.031	-0.058	-0.064	-0.082	-0.031	-0.058
Frequency of Political Talk	0.048	-0.024	-0.006	0.038	0.048	-0.023	-0.006	0.04
	-0.033	-0.042	-0.015	-0.032	-0.032	-0.042	-0.015	-0.03
Talking Partner More Conservative Than You	0.102	0.103	0.063*	0.155**	0.107	0.118	0.064*	0.159**
	-0.069	-0.09	-0.035	-0.063	-0.069	-0.09	-0.035	-0.063
Talking Partner More Liberal Than You	-0.122*	-0.176*	-0.024	-0.055	-0.118*	-0.166*	-0.024	-0.053
	-0.068	-0.098	-0.031	-0.063	-0.068	-0.097	-0.031	-0.063
Education	-0.037*	-0.007	-0.028***	-0.021	-0.037*	-0.007	-0.029***	-0.021
	-0.021	-0.028	-0.009	-0.019	-0.021	-0.028	-0.009	-0.019
Female	0.051	0.087	0.033	0.124**	0.051	0.091	0.033	0.126**
	-0.058	-0.076	-0.027	-0.052	-0.058	-0.076	-0.027	-0.052
Family Income	-0.005	-0.050***	0.002	-0.002	-0.004	-0.047***	0.003	-0.002
	-0.009	-0.012	-0.005	-0.009	-0.01	-0.012	-0.005	-0.009
Birth Year	0.002	0.009***	0.002**	0.000	0.002	0.009***	0.002**	0.000
	-0.002	-0.003	-0.001	-0.002	-0.002	-0.003	-0.001	-0.002
Owns Home	-0.066	-0.055	0.057*	0.029	-0.068	-0.059	0.057*	0.028
	-0.065	-0.09	-0.033	-0.06	-0.065	-0.089	-0.033	-0.06
Commutes to work	-0.108	-0.128	-0.037	0.004	-0.101	-0.118	-0.036	0.006
	-0.067	-0.089	-0.034	-0.062	-0.066	-0.089	-0.034	-0.062
Unemployed	-0.052	0.846***	0.058	-0.122	-0.045	0.866***	0.058	-0.118
	-0.154	-0.147	-0.062	-0.14	-0.153	-0.146	-0.062	-0.14
Retired	0.062	-0.139	0.064	0.000	0.061	-0.143	0.064	-0.001
	-0.089	-0.129	-0.041	-0.078	-0.089	-0.128	-0.041	-0.078
Constant	0.667	-14.016**	-3.294	2.491	0.656	-13.986**	-3.269	2.573
	-4.002	-5.872	-2.078	-3.758	-4.009	-5.893	-2.086	-3.758
Observations	1,273	1,273	1,077	1,142	1,273	1,273	1,077	1,142
R-squared	0.166	0.182	0.261	0.247	0.167	0.19	0.26	0.249
State FE	YES	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.10

Conclusion

What explains this sizable disconnect between the material state of the US economy in the wake of the pandemic economic crisis/recovery and the popular narrative in media and political coverage? In this paper, we argue that the "information economy" in which individuals participate – through media consumption and political talking networks – affects their views of the real economy. Analyzing data from a nationally representative survey of 2000 US residents, administered through YouGov in August 2022, we show that individuals that consume more conservative media are more likely to view inflation (and unemployment) as serious problems for

themselves and for the country, more likely to have pessimistic views about the future of the US economy, more likely to believe the US is currently in a recession (or will be in the months ahead), and more likely to view President Joe Biden negatively. We also find that greater consumption of more "mainstream" media has exactly the opposite effects on all of these outcomes. Similarly, we find that individuals who speak about politics with more conservative/Republican talking partners are significantly more concerned about inflation and unemployment, and more pessimistic about the current/future state of the US economy. Conversely, respondents who consume more mainstream media and speak about politics with more liberal/Democratic talking partners are significantly less concerned about inflation and unemployment, and more pessimistic about the current/future state of the US economy.

We also explore the degree to which providing individuals with additional domestic and international context about the scope and scale of inflation, unemployment, and economic growth in the US and other countries shapes individuals' views of the economy. Through two experimental treatments embedded in our survey, we that self-identified Republicans become significantly *less* concerned about inflation and unemployment when given information about the global nature and causes of inflation in 202, while individuals that self-identify as Democrats become significantly *more* concerned about inflation and unemployment when given the same global context.

These findings contribute to both the large literature on media/informational ecosystems and public opinion and recent scholarship in international political on the political consequences of economic shocks and crises. They also highlight how partisanship and polarization in US politics intersect with media coverage and economic shocks to shape individuals' views of the economy. In addition, they help us to understand the broader debate about the relative importance of material economic factors vs other variables in shaping voters' views of the economy and

leaders. In the case of the US economy in the wake of the pandemic crisis, our results strongly suggest that the "information economy" plays a key role in explaining the gap between the real economy and individuals' perceptions of the degree to which inflation, unemployment, and recessions are serious threats and problems.

Going forward, we plan to explore in greater detail more fine-grained metrics of the "inflation intensiveness" of particular media sources, such as Fox News, CNN, and major national and local newspapers. In addition, we will explore more fine-grained educational, income, geographic, and partisan "gaps" between political talking partners and how these shape individuals' views of the economy. Finally, we are currently designing a second survey and experimental treatments, to be administered in Germany and France in mid-2023. This study will explore how individuals' views inflation and the economy in the wake of both the pandemic economic crisis and the Russia-Ukraine war, and it will enable us to benchmark our results in this paper against those from countries in which the media ecosystem and party politics differ from the US in important ways.

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