

# Business and Economics

## Why should these topics be important to news audiences?

- **They affect everyone**

- Taxes, wages, employment, consumer prices, etc.
- Have real effects on lives whether rich, poor, middle class
- Cuts across social, cultural, ethnic boundaries

- **Every news story has a money angle**

- Example – COVID – mostly about science, medicine and society, but also had huge impact on many types of businesses
- Local news, weather, politics, sports, environment, etc. → \$
- Who has money, who's trying to get it, private/public, etc.

- **Inattentive consumers can be manipulated**

- Corporate strategies often assume public isn't knowledgeable
- Complex messages can confuse people into giving up
- The poor can end up financing the rich

# Business and Economics

## Two main kinds of business coverage:

### **1. Stories for general audiences**

- Basic information about common concepts
- New leaders, products, sales, mergers, etc.
- Uses straightforward language
- Assumes audience has limited knowledge

### **2. Stories for expert audiences**

- Complex info beyond average person's experience
- Strategies for acquisitions, trading, etc.
- Uses jargon specific to economics
- Assumes audience has advanced knowledge

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## Some important basic terms:

- **Markets**
  - Everything from local merchants to global financial markets
  - Involve products, sellers, buyers, investors, traders, etc.
- **Supply and Demand**
  - Quantity available of a product vs. consumer demand for it
  - Low availability and high demand make prices rise?
- **Private vs. Public Goods**
  - Private goods: Products you can own, keep to yourself
  - Public goods: Electricity, law enforcement, the ocean – we all use
- **Domestic vs. Foreign**
  - Gross National Product vs. Gross Domestic Product
  - Agreements and comparative advantage can blur these lines
- **Health of Economy vs. Income Distribution**
  - Country can sell lots of goods, but how equally does everyone share in it?
  - Distribution between economic classes can vary dramatically

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## Digging deeper on some concepts:

### ■ Taxes

- Many types: income, payroll, sales, property, estate, corporate, tariffs
- Pay for public goods and services: national defense, transportation, health care, entitlements, vets' benefits, education, etc.
- Always subject of controversy – how are officials spending public money?

### ■ Budget Deficits and Debt

- Deficit: Money going out exceeds the money coming in
- Government borrows money by selling bonds, bills, etc. to investors
- Debt: Accumulation of this year after year
- National vs. state vs. city/county budgets

### ■ Inflation

- Rise in consumer prices for assorted products
- Causes: Production/distribution costs, demand, events, policies, profit-taking
- All consumers hurt by it – low-income the most

### ■ Income vs. Purchasing Power

- Wages have gradually risen over time – but so have costs
- Prices have generally increased, but not across the board
- Cost of living & standard of living have changed dramatically

# Business and Economics

For business-related news stories:

## Main Question 1:

**Is the information being reported clear and understandable for general audiences?**

## Main Question 2:

**How reliable is the outlet reporting this?**

## Main Question 3:

**Is this information being reported to inform the public, or to advance an economic or political agenda?**