Media Coverage of CEOs: Who? What? Where? When? Why?

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Abstract: Media coverage of CEOs varies predictably across time and outlets depending on the audience demands served by reporters, incentives pursued by CEOs, and changes in real economic indicators. Coverage of firms and CEOs in the *New York Times* is countercyclical, with declines in real GDP generating increases in the average number of articles per firm and CEO. CEO credit claiming follows a cyclical pattern, with the number of press releases mentioning CEOs and profits, earnings, or sales increasing as monthly business indicators increase. CEOs also generate more press releases with soft news stories as the economy and stock market grow. Major papers, because of their focus on entertainment, offer a higher percentage of CEO stories focused on soft news or negative news compared to CEO articles in business and finance outlets. Coverage of CEOs is highly concentrated, with 20% of chief executives generating 80% of coverage. Firms headed by celebrity CEOs do not earn higher average shareholder returns in the short or long run. For some CEOs media coverage equates to on-the-job consumption of fame. Controlling for many factors, we find that CEOs who generate soft news articles in the business and finance press are more likely to be charged later with evading regulations or misusing company resources.

I. Introduction

CEOs have a love-hate relationship with media coverage. Publicity about its chief executive can bring a firm investors, customers, and employees. Fame offers a CEO intrinsic rewards such as recognition and adulation and instrumental returns such as higher compensation. Yet media coverage can reduce some of the flexibility enjoyed by CEOs as agents of shareholders. The hidden action and hidden information involved in the principal-agent relationship give executives some leeway in making decisions. In a world of imperfect information, CEOs can claim credit for success and try to shift blame for failures. The watchdog role of the media complicates this balance, for managers must deal with the likelihood that actions they would prefer to remain private information will come out in public. The media's watchdog role is affected by concerns about who will watch, e.g., pay attention to, the watchdog. The need for journalists and their employers to attract readers and viewers in the media marketplace means that coverage of CEOs will be shaped by a combination of audience demand factors and cost considerations that go into gathering stories.

Media coverage of CEOs in the 1990s generated extensive media coverage itself. During the decade three business leaders – Ted Turner of Turner Communications (and CNN), Andrew Grove of Intel, and Jeff Bezos of Amazon.com – were each named as *Time*'s Person of the Year. Financial journalist Lou Dobbs observed in 2000, "Business leaders are as well known as many movie stars, musicians and TV stars and that's a change in the last decade."[i] Summarizing the appeal of business news stories on television, cable anchor Neal Cavuto declared in 1998, "Big pay packages for executives, big takeover targets, the huge corporate egos involved – these kinds of stories beat an episode of *Dallas* any day." The deluge of corporate scandals in 2001 and 2002, however, caused reporters to reexamine CEOs with a skeptical eye. As a *Business Week*

cover story declared in 2002, "The 1990s gave rise to the celebrity CEO, the larger-than-life hero who muscles his way to the top of an organization and by sheer force of will remakes it in his own image. But with that myth shattered by the likes of Kenneth Lay, Dennis Kozlowski, Bernard Ebbers and other disgraced corporate chieftains, it's time to reassess the very nature of leadership."

The image of CEOs as first saviors and then sinners makes it appear that coverage is subject to fits and fads. In this article, however, we demonstrate that media coverage of CEOs readily emerges from the forces of supply and demand in information markets. Our results show that the amount and tenor of CEO coverage is predictable based on the incentives of journalists and chief executives. We find that coverage of CEOs over a thirty year period in the *New York Times* is countercyclical. Declines in real GDP are associated with an increase in the average number of stories about firms and CEOs. Larger firms generate more stories in the *New York Times*, though as the size of a firm increases the overall percentage of stories that mention the CEO declines. Across market niches, major papers offer a higher percentage of CEO stories that contain negative news and a greater percentage of stories that focus on soft news aspects of CEO personal lives. The emphasis on bad news and CEO life stories in part reflects the entertainment demands served by major papers relative to the producer information demands served by business and finance news outlets. With the aftermath of a recession and the spate of corporate scandals in 2002, major papers actually increased the number of CEO headline stories. The adage that bad news is no news, however, applied to company press releases. The *PR Newswire*, which contains corporate communications, declined in the number of articles mentioning CEOs from 2000 to 2002. We also find that as monthly business indicators decline, firms issue fewer

press releases linking CEOs with profits, earnings, or sales and generate fewer releases containing soft news stories about the CEOs.

Coverage in major papers is much more concentrated for CEOs than for firms, consistent with a set of chief executives being chosen as winners and losers to follow. The best predictors of which firms have CEOs treated as celebrities are not stock price changes or return on assets (ROA). The most consistent predictor is the number of common shares outstanding, reflecting the desire of reporters to write about firms with a wide audience of investors. Though some consumers might choose to focus investments in the firms of celebrity CEOs, we find in the short and long run that there is not a statistically significant difference in average shareholder returns between firms with celebrity CEOs and other types of firms. In fact we find that the pursuit of celebrity may have a cost at some companies. Comparing 30 firms where CEOs were involved in scandals in 2001-2002 with a matched set of similar companies, we find that the CEOs later involved in scandals were more likely to generate soft news stories in the time prior to their indictment or resignation. The percentage of CEO coverage devoted to soft news in the business and financial press and the information contained in press releases carried on the *PR Newswire* in 1999 turns out to be a good predictor of which CEOs were involved in scandals in 2001-2002. This suggests that some CEO coverage, particularly soft news coverage about life stories of chief executives, may signal that the chief executive is the type willing to pursue fame at the expense of shareholder interests.[ii]

II. Markets for CEO Coverage

CEO stories emerge from a variety of information demands and depend in part on the

willingness of firms to make information easily available to reporters. In Figure 1 we set forth the factors that determine the demand for stories about chief executives, including the types of data sought by decisionmakers, the niches targeted by news outlets, and the impact on reader/viewer interest of business cycles and stock market gyrations. We view company public relations efforts, such as the generation of press releases and the availability of CEOs for interviews, as supply side factors since they lower the costs of information gathering for reporters. We note that the public relations actions of firms will depend in part on the motivations of their CEOs. Whether a firm has good or bad news to impart will also affect the willingness of a CEO to be associated with a firm's results, so changes in business output or stock prices should also affect the supply of public relations efforts by firms.

Figure 1 notes that a basic distinction in reader/viewer interests in CEO stories relates to the type of information demanded. In his classic work entitled *An Economic Theory of Democracy*, Anthony Downs (1957) identified four different types of information demands that people express. Producers want data that help with their business and production decisions. Consumers want news about prices and quality to help with purchase decisions. People pursue some information simply for entertainment and diversion. Voters and citizens need information to help them make informed choices in politics. News coverage of CEOs can fill each of these demands. Workers in financial services industries can read about CEOs to gain insight into the potential operation of firms. Personal investors may consume information about chief executives in their own pursuit of trading strategies. The compensation and attention devoted to CEOs provide a subset of CEOs with the lifestyles of the rich and famous, which makes their life stories and actions entertaining for some readers and viewers. The interplay between

corporations and politics, whether in the financing of elections or enforcement of regulations, makes CEOs part of government stories too.[iii]

The mix of information demands served by CEO coverage will vary by market niche. Major papers may provide entertaining stories about CEOs to grab the interest of general readers or generate substantive profiles in the business section to cater to consumer (e.g., investor) information demands. Business and finance periodicals may be more likely to focus on producer or consumer information flows and less likely to emphasize the personal or soft news aspects of CEO actions. Given the need for general interest publications to entertain and attract readers, these outlets (including major newspapers) may be more likely to stress bad news about CEOs. In contrast, business and finance publications may not treat good and bad news differently since both have implications for investment and production decisions.

Demand for CEO information may also vary across time. Personal investors may express great interest in following companies as the stock market rises, only to evince less interest as returns fall.[iv] Yet coverage could also be countercyclical. Economic downturns may focus more attention on the performance of CEOs and generate events such as large layoffs where CEOs play a role in announcements and explanations. Interest in downturns and defeats helps make bad news more entertaining than good news for many readers.

The supply of information about CEOs depends in part on incentives that chief executives have to lower the cost of coverage for reporters by granting interviews and issuing press releases. Publicity about a CEO may enhance firm profits and stock returns by attracting the attention of investors, capturing the attention of product consumers (as when celebrity CEOs appear in firm advertisements), or inspiring a particular firm culture by communicating to widely

dispersed employees.[v] In a world of imperfect information, knowledge of a CEO may substitute for information about product or company quality. A chief executive's reputation may become part of a company's brand image, so that efforts to burnish the CEO yield returns to shareholders. Media coverage of a CEO may also be a form of compensation. If an executive treats fame as a good valued in and of itself, then he or she may pursue it independent of whether it helps the bottom line of a company.[vi] Fame could reduce compensation costs for a firm, have positive spillovers for company profits, or involve a tradeoff of company resources for publicity that yields negative returns to stockholders. In some cases the pursuit of celebrity levels of coverage may come at the expense of shareholder interests, as a CEO uses company resources for publicity and devotes less time to firm business. In cases where CEO reputation building adds little to a firm's fortunes but builds the external reputation of an executive, publicity can promote a CEO's mobility and ultimately leave the company with more training costs to bear when the executive moves on.

Firm efforts to influence coverage may also vary with the business cycle. As output or stock prices decline, CEOs may be less willing to be associated with firm outcomes. This means fewer press releases mentioning CEOs and profits, sales, and earnings in bad times and less effort to court soft news coverage through press releases when economic indicators are declining. To be credible company news releases may have to impart some bad news when outcomes are bad. If so, press releases should increase the use of negative terms as business indicators drop. The work environment of CEOs has generated an extensive literature, including research on CEO incentives relating to compensation (Yermack, 1997; Hall and Liebman, 1998; Core, Holthausen, and Larcker, 1999; Rose and Wolfram, 2000; Ryan and

Wiggins, 2001), turnover (Huson, Parrino, and Starks, 2001), board composition (Farrell and Whidbee, 2000), merger and acquisition activity (Avery, Chevalier, and Schaefer, 1998), and firm internal organization (Holmstrom, 1999). Research on the effects of media coverage on the stock market includes work on the impact of discussion of companies on CNBC on firm prices and trading in the minutes following the reports (Busse and Green, 2002), the effect on stock price and volatility when a firm makes the cover of *Business Week* (Urrutia and Vu, 1999), the performance of recommendations made in popular investment magazines (Brody and Rees, 1996), the relationship between financial press coverage and expected stock returns (Gadarowski, 2002), the general role of the media in speculative bubbles (Shiller, 2000), the impact of media reports about earnings on stock price reactions (Dyck and Zingales, 2003), and the impact of a single article (in the *New York Times*) on a stock's price (Huberman and Regev, 2001). Dyck and Zingales (2002a,b) use cross-country differences in the diffusion of the media to demonstrate that the press have an impact on corporate governance. They find that companies are more responsive to environmental concerns and the interests of minority shareholders the greater the newspaper circulation per capita. Our work differs from previous research in that we focus explicitly on the supply and demand for stories about firm CEOs.[vii] In the next section we examine the incentives behind CEO coverage and implications for investors by charting how coverage varies across time, market outlets, companies, and CEO types.

III. Results

A. Coverage Across Time: 1970-1999

To examine coverage of CEOs across time we chose first to focus on how the top 80

firms in the *Forbes* annual list of 500 largest U.S. companies by sales were covered in the *New York Times (NYT)*. The *NYT* was selected in part because its archived editions from previous decades are easily searchable, unlike other publications which may only be electronically available for the previous five or ten years. Each spring *Forbes* releases a list of the top 500 U.S. companies ranked by sales in the prior year. We focus on the top 80 firms as a way of measuring how journalists over time have written about the CEOs of America's leading companies. For each year from 1970 to 1999 we searched the ProQuest archive of *NYT* to create a count for each firm of the number of stories mentioning the company and the number of stories about the firm that contained the CEO's name.[viii]

Figure 2 shows that the average number of stories per firm for the top 80 *Forbes* companies varies widely across the years in the *New York Times*. Coverage peaked in 1970 (235 stories per firm) and in 1999 (232 articles), reached its lowest level in 1978 (116), and followed a cyclical pattern over the three decades. Figure 3 reveals that coverage of CEOs was not at historically high levels in the late 1990s, contrary to observations in the popular press.[ix] The average number of articles per CEO in the *NYT* was 12.6 in 1999, compared to 14.7 in 1979 or 15.5 in 1992. The mean number of articles per CEO too appears to follow a cyclical pattern over the period 1970-1999. Viewed in terms of the percentage of firm stories in the *NYT* that mention the top executive, CEO coverage was actually at relatively low levels in the late 1990s. Figure 4 charts the percentage defined by dividing total articles about the CEOs of the 80 firms by the total articles mentioning these companies. In 1999 5.4% of the company articles in the *NYT* referred to one of the CEOs in the sample. The focus on CEOs was much higher in prior years such as 1975 (8.3%) or 1992 (8.2%).

In Table 1 we analyze journalists' decisions to write about the large U.S. companies in the *Forbes* list as a function of audience demand, business conditions, and firm size. We proxy the size of the national audience with a demand for investor information about firms by the number of mutual fund accounts. This implicitly treats the *NYT* as aiming at a national audience, or assumes that changes in the New York home market for the *NYT* are correlated with national changes . We use annual percentage changes in real GDP to capture variations in the economic environment that reporters can choose to cover. In the specifications that analyze annual averages for the top 80 *Forbes* firms we find that the patterns of business news coverage are fairly predictable. As more people demanded business information for investment purposes, the average number of stories per firm in the *New York Times* grew. Coverage also grew when the economy declined, suggesting that bad news is news for business reporters. A one percentage point drop in real GDP increased the average number of stories per firm by about 5 articles per year.[x] Specification 2 shows that the growth in reader interest presumed to follow the expansion of mutual fund accounts did not affect the mean number of CEO stories per year. CEO coverage did increase with economic reversals, with a one percentage point drop in real GDP generating an increase of .32 articles in mean CEO coverage.

Another way to analyze the *NYT* coverage is to estimate the attention paid at the firm level, which generates a potential sample of 2400 observations over the course of 30 years. The CEOs in the *Forbes* top 80 over time include some of the best known chief executives. If one ranks the CEOs by the largest number of *Times* stories in a given year, the top five are Boeing's Thornton Wilson (1972, 163 articles), Chase Manhattan's David Rockefeller (1974, 144), General Motors's Roger Smith (1990, 140), Chrysler's Lee Iacocca (1979, 131), and Ford

Motor's Philip Caldwell (1979, 124). The other CEO's from the 1990s who made the top 25 in articles per year are ATT's Robert Allen (1993, 1994) and C. Michael Armstrong (1997), General Motors' Robert Stempel (1992), Chrysler's Robert Eaton (1992), IBM's Lewis Gerstner (1993), and Time Warner's Gerald Levin (1992).

Specifications 4-6 in Table 1 analyze at the company level over a 30 year period the number of firm stories, CEO stories, and the percentage of firm stories mentioning the CEO for the top 80 *Forbes* firms. The variable firm sales measures how large a company's revenues were in a given year expressed in 1999 dollars. As a firm's sales grow larger, more stories are written about the firm in the *NYT.* CEO coverage among these large companies does not increase with firm size. On a percentage basis, however, this means that firms with larger sales had a slightly smaller percentage of firm stories that mentioned the CEO. Bad news in the business cycle also generated more stories. A one percentage point decline in real GDP translated into 4 more firm stories and .29 more CEO articles for a company. This may be because declines in sales and increases in layoffs generate announcements by CEOs and scrutiny of their performance. As more people demanded business information for investment, proxied here by the number of mutual fund accounts, the *New York Times* printed a lower percentage of articles mentioning the CEO. This suggests that as the market for business news expands among personal investors that stories in the *NYT* about the actions of CEOs, which may be of particular interest to business managers, account for a lower percentage of articles about a firm.

Articles about CEOs vary in the type of information they convey. Some articles may focus on hard news topics such as profits, others may concentrate on human interest angles in covering a CEO, and some may emphasize negative outcomes or aspects of a company's

operation. In this paper we use stories that contain the words profit, profits, earnings, or sales as examples of hard news coverage. We define stories as containing soft news if they contain words that focus on a CEO's personal history or attributes: personality, married, divorced, smile, style, wife, husband, emotional, graduated, graduate, educated, charity, charities, hobby, or hobbies. We define soft news+ stories as those with these soft news words or with additional words associated with positive profiles of CEOs: leader, reputation, vision, skills, or high profile. Negative news is defined as stories which mention the words scandal, investigation, fire, resign, dismiss, accuse, criticize, criticism, blame, false, misleading, allege, indict, arrest, guilty, fraud, investigate, or criticism.

To see how these types of stories varied over time, we searched the ProQuest archive of the *New York Times* to create yearly counts of articles which had the words chief executive officer in the text and yearly counts of articles that in addition contained profit, soft news, or negative terms. Figure 5 shows that this measure of CEO coverage peaked in the early 1980s, with CEO articles totaling 1495 in 1982 and 1480 in 1984. CEO stories that mentioned profits, earnings, or sales also peaked in those years. Soft news CEO coverage peaked in 1989, when 537 articles using the phrase chief executive officer also included at least one of the soft news terms. Negative news CEO stories remained at a fairly steady rate of close to 200 per year in the *Times*.

Figure 6 tracks changes in the percentage of CEO coverage in the *New York Times* accounted for by different types of stories. Stories mentioning profits, earnings or sales are cyclical but account for approximately 45% of the stories about CEOs. Though negative stories had a historic spike in 1976 (28%), there has been a general upward trend in the percentage of CEO stories containing negative terms, which grew from 8% in 1970 to 25% in 1999. This is

consistent with an increasing emphasis on entertainment demands, also evident in the increasingly negative tone of political campaign coverage in the media over time.[xi] Soft news stories as a percentage of CEO coverage actually peaked in 1988 (48% of stories) and 1989 (51%).

B. Coverage Across Time: 2000-2003

If the market for CEO coverage operates as we propose in Figure 1, then coverage of CEOs in daily newspapers and the public relations efforts of CEOs should vary with the business cycle. Negative economic outcomes, either in terms of output or stock price movements, should generate negative stories by reporters whose readers find following reversals more entertaining than advances. CEOs anxious to shift the spotlight in bad times and claim attention in good times should take more efforts to generate stories through PR as output and stock prices increase. To test these hypotheses we examine monthly media outcomes for a 48 month period, January 2000 to December 2003. In the Lexis file containing company press releases, *PR Newswire*, we count the number of articles with CEO in the headline or lead paragraph that contain profit, soft news, or negative news terms in the text. For Lexis archives containing the *New York Times*, *Washington Post*, and *USA Today*, we counted monthly the number of stories with chief executive officer or CEO in the headline or lead paragraph, and then counted the articles in the subsets containing profit, soft news, or negative news terms.

Figure 7 shows the CEO story counts from *PR Newswire*. The quarterly release of earnings is evident in the jump in releases mentioning profits, sales, or earnings every third month. Stories on *PR Newswire* mentioning CEOs and profits are highly correlated (.81) with those containing soft news terms. Releases with hard news figures are negatively correlated (-

.47) with the count of CEO stories in daily papers that contain negative language. This suggests that

CEOs are less likely to associate themselves with earnings information when the news is likely to be bad. Figure 8 shows the counts by type of stories for CEO articles in the *New York Times*, *Washington Post*, and *USA Today*. The results show that at times the coverage of CEOs follows a quarterly pattern, with higher counts in months when earnings are released. Stories containing hard news, such as profits and sales, outnumber those with soft news content. Negative news appears very volatile, with a much wider range than the level of soft news coverage.

Table 2 shows how coverage varies with two monthly indicators of business activity, the value (in $M) of manufacturers' shipments as tracked by the U.S. Census Bureau and the level of the Dow Jones Industrial Index. The count of stories on the *PR Newswire* mentioning CEOs in the headline or lead paragraph (see columns 1-3) clearly shows a pattern of credit claiming and blame shifting. When the economy is expanding, as measured by an increase in the manufacturers' value of shipments, the number of PR releases mentioning CEOs and profits, sales, and earnings increases. This indicates that executives are more likely to associate themselves with hard news numbers when the news is likely to be positive. CEOs are also more likely to provide soft news information in their press releases when times are good. The number of *PR Newswire* stories with soft news terms increases with both the value of manufacturers' shipments and the level of the Dow Jones Index. Executives try to court soft news coverage in times when journalists' stories will likely carry positive news. Conveying negative information may be an inevitable part of the CEO's function at times. A decline in the Dow Jones Index is associated with an increase in the number of negative CEO stories on the *PR Newswire*.

Columns 4-8 in Table 2 show that the counts of CEO and soft news stories do not respond to monthly values of shipments or the stock market index. As the value of shipments declines, reporters do increase the number of CEO stories in the *Times*, *Post*, and *USA Today* that mention profits, earnings, or sales. This is consistent with reporters' emphasis on bad outcomes. The focus of coverage, as reflected by the percentage of CEO articles accounted for by a type of story, also changes with economic indicators (see columns 8-10). As the Dow Jones Index declines, the percentage of CEO stories mentioning profits, sales, and earnings increases (reflecting a likely emphasis on bad news). In addition, the percentage of CEO stories containing negative terms also grows with decreases in the stock market. Overall, these results show that CEOs try to lower the costs of reporting hard news and soft news when times are good and that reporters are more likely to focus on profits, sales, and earnings when the news is likely to be bad.

C. Coverage Across Outlets

Stories about CEOs could serve any of the four information demands identified by Downs: information needed by producers/workers in their business decisions; data helpful for consumers making personal finance choices; information valued simply for its ability to entertain; and data relating to public policy decisions. The mix of which four information demands a journalist will aim to serve varies by outlet type. In this section we use different media archive files in Lexis to analyze the impact of market incentives on CEO coverage. Specifically, we examine stories with the word CEO in the headline and see how they vary in the content of soft news or negative news. We take four snapshots of CEO coverage – in 1996, 1998, 2000, and 2002– to see how content changed with variations in the business cycle and

revelations of corporate scandals.

The major papers file in Lexis contains articles from large circulation papers, primarily from the United States. Daily papers can serve a portfolio of information demands, since consumers can choose which sections and story types to read. We expect major papers to serve entertainment, producer, and consumer demands in their coverage of CEOs.[xii] Since the papers in the major paper file change over time, we also examine a subset of three papers in the file that have national audiences: the *New York Times*, *Washington Post*, and *USA Today*. Focusing on the same outlets over time allows us to chart changes in the volume of coverage. The Knight Ridder/Tribune Business News file contains stories from local papers and magazines, which means that the coverage in part reflects incentives for business page writers in medium- and small-sized newspaper markets in the U.S. The Lexis Business and Finance news file contains the text of hundreds of specialized and general interest business publications targeted primarily at filling producer and consumer information demands. Company press releases carried in the *PR Newswire* are part of this file, but we also separately break out stores carried on the *PR Newswire* to show what firms are highlighting in their public relations efforts. Finally, we analyze transcripts from the cable channels CNBC and CNNfn. Their content may reflect conflicting pressures: the entertainment demand associated with visual media; the demand for personal investment news by consumers; and the need to fill programming hours at affordable expense, which may cause the channels to rely heavily on information provided by firm pronouncements and interviews.

Table 3 shows that CEO coverage clearly varies by market niche. Consider first the ways that these executives were portrayed in 1996 in articles with CEO in the title.[xiii] In the *New York*

Times, Washington Post, and *USA Today* (i.e., national paper subset) 32% of the articles contained soft news language versus only 16% in the business and finance publications. This is as we would expect, since the national papers serve entertainment as well as consumer/business information needs, while the specialized publications in the business and finance file are more likely to provide information aimed at readers who demand information relevant to business decisions. When the definition of soft news is expanded to include laudatory language such as leader or reputation or vision, then business and finance outlets (40% soft news+ language) are closer to the general interest publications such as major papers (38%), national newspapers (47%), and the Knight Ridder/Tribune business news outlets (46%). The three national papers have the highest percentage of negative news stories (24%), consistent with the rule of thumb that bad news is more likely to be entertaining and capture reader attention. This is nearly twice the percentage of negative news carried by business and finance news outlets (13% negative news). Not surprisingly the *PR Newswire* contains the lowest percentage of negative news stories (7%), demonstrating that firms are less likely to try and lower the costs to reporters of writing negative stories.

The differences in the portrayal of CEOs by market niche continued in 2000. Major papers, especially the three national ones, continued to have a higher percentage of soft news articles than those targeted at the business and finance reader. At a time when stock prices, the Internet, and the economy had generated conversation and optimism for years, soft news+ language appeared in 60% of the CEO headline stories in the *New York Times, Washington Post,* and *USA Today*. This was even higher than the percentage of soft news+ stories (54%) in the company news releases sent out over the *PR Newswire*, and much higher than the 38% of stories

in the business and finance outlets. Note that CNBC and CNNfn had much lower percentages of soft news or soft news+ stories than the major papers or the Knight Ridder/Tribune business news coverage. Even though these two channels are carried on an entertainment medium (cable television), their core audience is viewers in search of news for business and consumer finance decisions, which makes them less likely to focus on soft news angles. The entertainment drive for major papers and the three national newspapers is evident in their emphasis on negative stories. Negative news words appeared in 21% of the major paper CEO stories in 2000 and 35% in the *Times, Post,* and *USA Today*. This is much higher than in outlets serving producer information demands such as business and finance publications (8%), CNBC (8%), or CNNfn (9%). *PR Newswire* carried the lowest percentage of negative CEO stories (5%), demonstrating that firms are unlikely to trumpet bad news.

By 2002, prominent business stories included the collapse of telecommunications and Internet stock prices, an economy recovering weakly from recession, and scandals involving CEOs. The changes in how CEOs are portrayed over the business cycle are also consistent with the information demands served by the different niches. The percentage of soft news coverage within each niche stayed relatively constant from 1996 through 2002. Soft news stories accounted for 21% of CEO stories in 1996 and 2002 in major papers, 24% in 1996 for the Knight Ridder/Tribune business news outlets and 22% in 2002. Perhaps because fewer CEOs were being praised for their actions in 2002, soft news+ coverage (which, in addition to soft news terms, contains positive words such as leader, vision, and skills) declined between 2000 and 2002. In the three national newspapers soft news+ stories went from 60% in 2000 to 50% in 2002; business and finance outlets registered a similarly appreciable drop from 40% in 1996 to

30% in 2002. The emphasis on negative stories among newspapers trying to reach the general reader is evident in 2002. Between 2000 and 2002 negative news went from 21% of articles in major papers to 37%, from 35% to 65% in the three national papers, and from 24% to 35% for the regional business news outlets. Negative coverage grew in the business and finance press (8% to 18%), though these outlets still contained lower percentages of negative news than the general interest publications. *PR Newswire* registered only a slight increase in negative news, with the percentage going from 5% to 8%. CNBC had its negative percentage jump from 8% to 44%, which may reflect the magnifying glass properties of cable television news.

Changes in the volume of coverage also reflect economic incentives. Bad news may be more interesting for a general reader, while investors or producers may find equally helpful information in good and bad news. The *New York Times, Washington Post,* and *USA Today* increased the number of articles with CEO in the headline by 58% between 2000 and 2002. In the business and finance file, CEO articles declined slightly (8%) between 2000 and 20002. The reluctance of CEOs to be associated with bad news about firms may be evident in the drop in mentions in the *PR Newswire*. The number of CEO headline stories in company press releases increased by 128% between 1998 and 2000, a time when credit-claiming was advantageous. Once the economic downturn set in, however, CEOs were less likely to be mentioned in company press releases, with headline stories dropping 23% in *PR Newswire* between 2000 and 2002. CEOs may also have been less willing to appear or be interviewed on television. The number of CEO headline stories dropped between 2000 and 2002 by 46% on CNBC and 50% on CNNfn.

D. Coverage across Firms

Firms are not created equal in the eyes of journalists. Some companies will generate changes in sales, returns, or strategy that trigger news stories. Once reporters start covering a particular CEO or firm then other journalists may free ride and repeat the information, which generates a cascade of stories about a given person or firm. In this section we explore the concentration of attention devoted to CEOs, the characteristics of a company that give rise to celebrity CEO coverage, and the short-run and long-run returns to investing in firms headed by celebrity CEOs. For 1995, 1996, and 1997, we randomly selected 200 firms each year from the Standard and Poor's (S&P) 500 Index for that year. We collected information on coverage of their CEOs from the major newspaper files in Lexis. We also gathered firm financial information from Compustat about these companies. We use the companies in yearly samples to explore how coverage varies across relatively large firms in the U.S.

Table 4 shows that coverage of CEOs is much more concentrated than coverage of firms. Among the 200 S&P 500 firms in our sample for 1995, the top 5 firms in terms of stories in major newspapers accounted for 23% of all articles during the year about the 200 sample firms. The top 5 CEOs, however, accounted for 48% of the stories mentioning the chief executives of these firms. In terms of articles with negative news, the companies with the five highest counts of negative stories accounted for 28% of negative firm coverage. The top five CEOs in terms of negative stories generated 50% of the negative CEO articles. Positive CEO stories (defined as total CEO stories - negative CEO stories) and soft news CEO stories were similarly concentrated, with the top 5 CEOs accounting for 47% of positive CEO articles and the top five soft news CEOs generating 53% of that style of coverage. These results show that reporters choose to focus on a relatively small set of winners and losers when casting business coverage in

terms of CEOs. The focus on a set of CEOs who become familiar helps fulfill an entertainment demand, since readers can develop expectations about the personalities and actions of particular individuals. The use of CEO coverage as contrasted with firm coverage to fulfill this entertainment demand suggests that reporters will focus on familiar CEOs to garner reader attention. The greater attention devoted to the top 5 CEOs versus firms is also evident in major paper coverage in 1996 and 1997.

If one examines the top 20 firms or CEOs by type of coverage attention is also more concentrated for stories dealing with chief executives. For the 200 S&P firms in our sample for 1995, the top 20 companies by story count generated 51% of all the articles in major papers about these firms. The top 20 CEOs by coverage type accounted for 75% of negative CEO stories, 75% of soft news articles, and 68% of positive CEO tales. If one examines the top 40 firms or CEOs, then Table 4 suggests that the top 20% of companies or chief executives generate about 80% of the coverage. Among chief executives, the top 40 CEOs by story count generate 80% of the major paper articles in 1995 and similar percentages in 1996 (78%) and 1997 (80%). The 40 CEOs most frequently covered in soft news language garnered 86% of soft news coverage in 1995 and 1996 and 88% in 1997. Negative coverage is similarly focused, with the top 40 CEOs generating 87% of major paper articles with negative language in 1995, 83% in 1996, and 86% in 1997.

The focus on a subset of CEOs is also evident when one compares the concentration of CEO coverage with the concentration of sales among the 200 firms in the sample each year. For 1995, the top 5 firms in terms of sales accounted for 22.7% of the total sales made by the 200 S&P 500 companies examined. The 5 firms with the most articles garnered 23.2% of the stories

that year, while the top 5 CEOs in terms of positive stories generated 47.3% of the articles in major papers. Companies in the top 20 in sales generated 45.2% of total sales, and firms in the top 40 accounted for 61.6%. A similar pattern of sales holds for the 1996 and 1997 samples, with firm coverage being a bit more concentrated than firm sales and CEO coverage being much more concentrated than firm sales.[xiv]

The concentration of attention in media coverage of CEO also appears high relative to the way journalists cover another set of decisionmakers, U.S. senators. In major papers in 1995, the top 5 senators generated 26.4% of the total articles that mentioned U.S. senators by name. The top 20 senators accounted for 55.5% of the coverage and the top 40 75.7% of the total stories. The pattern for stories about senators in business and finance outlets was the same: top 5 26.7%, top 20 57.3%, and top 40 77.1%. In contrast, major paper coverage of the 200 CEOs from the S&P sample was much more concentrated for the top 5 executives (47.8%) and the top 20 (68.8%).

Becoming a celebrity CEO involves both a demand for information by journalists and a supply of information by CEOs and their companies. In this section we model how the characteristics of a firm affect decisions by reporters to cover a CEO. In the following section we explore how types of CEOs may seek or avoid media coverage. We define celebrity CEOs here using three measures – top 40 ranking in positive CEO stories, soft news CEO articles, or negative CEO mentions. Numerous firm factors may attract reporter attention. Consider first the case of whether a CEO was in the top 40 ranking of CEOs by positive story counts in 1995. Variables that could influence coverage include firm sales, number of employees, or the return on assets (ROA) for the year. The annual return to shareholders in 1995 captures how well the

company did in the stock market. Since changes can generate news, we also include sales changes (expressed as a percentage change in 1995) and changes in assets (which captures merger activity for the firm too). We include the number of common shares outstanding for a firm, since the number of readers interested in a company may relate to how numerous and hence potentially widely dispersed are shares in the firm.

Table 5 shows that, with two exceptions, there are not a consistent set of firm characteristics that predict which companies will have chief executives treated as celebrity CEOs by major papers. In 1995, an increase in a firm's percentage change in assets for the year increased the probability that the CEO would be in the top 40 in terms of positive CEO stories and negative CEO stories. Earning a higher annual return for shareholders made it more likely that a CEO was covered with soft news stories and more likely that the CEO garnered negative coverage too. These variables, however, were not statistically significant in predicting celebrity CEO status in major paper coverage in 1996 or 1997 (except that firms with higher shareholder returns in that year were less likely to generate large amounts of positive coverage). Return on assets was not statistically significant in any of the nine specifications, which suggests that reporters do not use this real measure of return (or some proxy for it) as a guide to determining which CEOs to feature in newspaper coverage. The two variables that had a consistent impact over time were employee numbers and common shares outstanding. The larger the number of employees, the more likely that a CEO was covered with soft news stories at the celebrity volume level in 1996 and 1997. This may be because a larger number of employees translates into more readers potentially interested in the fate of a (familiar) firm. The number of common shares outstanding is positive and statistically significant in eight of the nine specifications in

Table 5. This suggests that the larger the number of shareholders for a firm, the more likely reporters are to cover the CEO as celebrity in positive, negative, and soft news terms. Larger shareholder numbers can translate into more demand for personal finance information, which major papers in part may meet by focusing on CEOs. This allows them to meet two demands at once, since relating business stories through the use of celebrity CEOs can also provide entertainment to nonshareholders.

In Table 6 we explore how well the shareholders of celebrity firms fare over time. For the 200 firm samples in 1995, 1996, 1997, we divide the firms into two groups each year based on whether the CEO was in the top 40 chief executives generating positive stories or not. We also divided the firms by whether the CEO was in the top 40 chief executives generating soft new stories, but the results are not reported since they were similar to our findings for celebrity defined by positive news stories. For each group of celebrity versus non-celebrity firms we determined the mean annual return to shareholders in years one through five following the year in which we calculated their media coverage. We divide the firms based on celebrity status in part to see how investors who follow the buzz about CEOs may fare. Since attention to the CEO may derive from underlying business successes and from hype and public relations, it is an open question whether celebrity firms will generate higher shareholder returns in the short or long run.

For each year we compare using difference of means tests the average annual shareholder returns for firms with top 40 CEOs versus the other companies in the sample.[xv] Table 6 indicates that for most years the difference in average annual returns between the two sets of firms is not statistically significant. Only in 1998 did the firms of celebrity CEOs earn mean returns that were statistically significantly different: 33.9% versus 9.8% for the 1995 sample (where year 3

was 1998); 38.3% versus 11.0% for the 1996 sample (where year 2 was 1998); and 25.7% versus 6.8% for the 1997 sample (where year 1 was 1998). In two cases the returns were higher and statistically significant for the noncelebrity firms. In year 4 for the 1996 sample, celebrity CEO firms earned an average annual return of -3.6% versus 17.0% for the noncelebrity companies. In year 4 for the 1997 sample, celebrity CEO firms earned an average annual return of -1.1% versus 10.0% for the noncelebrity firms. If the three samples are pooled together, the average return over a five year period is 6.1% for the celebrity CEO firms and 7.4% for the noncelebrity firms (a difference which is not statistically significant).

Taken as a whole, the results in Table 6 suggest that investors using celebrity CEOs as an investment guide will not earn returns that are significantly different statistically from those with less heralded chief executives. Celebrity CEOs, defined by positive stories, do differ from other company heads in another dimension – compensation. Consider the difference of means for top 40 CEOs in terms of positive stories versus other CEOs in the 1995 sample of S&P companies. Means in 1995 for the 40 celebrity CEOs were $869,000 salary, $1,071,000 bonus, and $5,918,000 in total compensation (including the total value of stock options granted, using Black-Scholes). The mean values in the Compustat database for other 160 CEOs in the 1995 sample were $732,000 salary, $741,000 bonus, and $3,181,000 total compensation. For each form of compensation the differences are statistically significant (at the .05 level or lower). Similar patterns hold for the 1996 sample (mean total compensation $9,380,000 for the top 40 CEOs versus $4,017,000 for others) and the 1997 sample (mean total compensation $12,655,000 for celebrity CEOs versus $6,803,000 for the other CEOs). If celebrity is defined by number of soft news stories, chief executives in the top 40 also earn higher salaries and total compensation

than their less famous counterparts.[16]

D. Coverage across CEO Types

CEOs vary along many dimensions, including vanity, honesty, and responsibility. In the principal-agent relationship between shareholders and chief executives, the inevitable hurdles of hidden information and hidden action provide CEOs with some ability to take actions that may go against the long-run interests of shareholders (see Pratt and Zeckhauser, 1985). Similar obstacles to scrutiny give CEOs some leeway in evading government regulations. In this section we investigate whether media coverage can distinguish different types of CEOs before they are publicly identified as involved in scandal. Some CEOs may court media attention as a form of on-the-job consumption, independent of whether their publicity helps the firm. They may use company resources to generate press releases and public relations efforts to build their reputations. If these efforts are not aimed at maximizing firm profits, their pursuit may be a signal that the CEO is the type of executive willing to cut corners, evade regulation, and pursue strategies that are illegal.[17] It may also be the case, however, that dishonest or unscrupulous CEOs seek to avoid media coverage, in the hopes that their illegal or unethical activities in running their firm will be less likely to come to light if they maintain low public profiles. Independent of the impact of CEO reputation on firm reputation and fortunes, chief executives who pursue their interests at the expense of shareholders may seek or avoid media coverage– the question is open empirically. The degree that the press is an effective monitor whose reporting can presage future CEO behavior is also an empirical question.

To study media coverage of CEOs willing to engage in illegal or unethical conduct, we started by searching the major paper files in Lexis in 2001 and 2002 looking for articles with

CEO and scandal or fraud in the headline or lead paragraphs or CEO, SEC, and investigate in the text. This search generated almost 150 companies or CEOs involved in financial scandals or personal misconduct. To secure longitudinal results, we narrowed the sample by focusing on CEOs of companies who were involved in scandal in 2001 or 2002 and who were also the CEO of the firm in 1998 and 1999. This yielded a total of 30 scandal-related CEOs, with the sample broken down as follows: 15 CEOs who had been formally charged in 2001-2002 by the Securities and Exchange Commission, Justice Department, or State Attorney General's Office in a civil or criminal action in cases where charges and investigation did not publicly surface before 2001; 5 CEOs who resigned or were forced out of office in 2001-2002 during a scandal or investigation for their actions, where the investigation or scandal did not surface prior to 2001 (and with those resigning simply for poor company performance not included in the sample); 9 CEOs formally charged in 2001-2002 but with the investigation or scandal made public in 2000; and 1 firm where the CEO resigned during 2001-2002 and had only been appointed during 2000. We call these 30 chief executives the scandal set of CEOs. We matched each firm with a company from Hoover's list of top competitors or all competitors for the firm based on the magnitude of company sales. These 30 firms constitute the set of non-scandal firms.[18]

Table 7 reports the results of difference of means tests between scandal and nonscandal firm and CEO coverage in major papers, business and finance news outlets, and *PR Newswire* for each year from 1999 through 2002. In 1999 the scandal and nonscandal firms are similar in terms of the mean number of CEO articles and average percentage of firm stories that mention the CEO. In the major paper coverage, the percentage of CEO stories that contain negative language is much higher for scandal firms (22.7%) than for nonscandal firms (5.4%). This

percentage difference is not evident in business and finance news outlets, where for scandal firms on average 7.4% of the CEO articles are negative versus 10.2% of the CEO articles for the nonscandal companies. This indicates that major papers, which focus more on negative news than the business and finance press, appear to foreshadow the future charges and indictments at scandalous firms by using negative language in articles.[19] Evidence for on-the-job consumption of fame by scandalous CEOs appears in the proportions of soft news coverage. In major papers, the mean percentage of CEO stories containing soft news language is 18.8% for the future scandalous CEOs versus a mean of 8.8% for the comparison firms. In the business and finance news outlets, scandal CEOs have a mean soft news percentage in their stories of 9.0% versus 4.7% for nonscandal firms. Scandal CEOs may court soft news coverage through public relations, especially by granting interviews. The data here suggest that the proportion of soft news coverage of a CEO is an indicator that the CEO may also be the type to pursue other actions at the expense of shareholders.

For the year 2000 comparisons, we drop the scandal firms from 2001-2002 where discussion of the scandal or investigation began in 2000. Despite that screen it is still the case that coverage in major papers differentiates between scandal and nonscandal CEOs. The average percentage of firm stories containing negative language is 19.9% for scandal firms versus 13.0% for the comparison set. Similarly, the average percentage of CEO stories with negative language is higher (25%) for the CEOs involved in future scandals than for nonscandal chief executives (7.3%). There are no statistically significant differences in firm or CEO coverage in the business and finance news outlets or *PR Newswire* in 2000. By 2001, however, as the investigations and charges unfold both these market niches treat the two types of CEOs differently. In the business

and finance news outlets, the mean 2001 percentage of firm articles with negative language is 14.6% for the scandal firms versus 8.7% for the comparison set. Companies are also conveying information about their negative outcomes, with the average percentage of negative firm articles registering 6.7% for scandal firms in the press releases carried by *PR Newswire* and 2.1% for the nonscandal companies. Means for the percentage of CEO coverage that is negative are also higher in the business and finance outlets for the scandal firms (19.8% versus 7.8%) and *PR Newswire* (17.3% versus 1.6%). Note that the mean percentage of CEO coverage that is soft news is higher for scandal firm CEOs (16.2%) than the comparison set of chief executives (7.5%), consistent with the on-the-job consumption hypothesis.

By the end of 2002 the CEOs in our scandal sample by definition have been charged or resigned. Table 7 shows how scandal can dominate firm coverage. In terms of the mean percentage of firm coverage that is negative, scandal firms have much more negative news proportions than the comparison set in major papers (52.1% vs 24.5%), business and finance news outlets (37.7% vs 12.8%), and even *PR Newswire* (15% vs 5.9%). The average number of major paper articles mentioning a firm and CEO was much higher for scandal firms (408) than nonscandal firms (30) in 2002. The lure of scandal is evident when one compares the mean number of firm and CEO articles in 1999 for the scandal firms (26 stories) and comparison set (27 articles). The negative tone clearly dominates in those articles that mention CEO. Of CEO coverage in the major papers, the mean percentage of stories containing negative language is 66.3% for scandal firms versus 30.4% for nonscandal firms. These differences are also evident in the average negative CEO coverage in business and finance news outlets (50.9% vs 15.5%) and *PR Newswire* (33.8% vs 5.0%).

Media coverage of Enron, one of the scandal firms in the dataset, shows how significant problems with a company may generally go undetected by reporters until an event generates a burst of critical scrutiny. Table 8 contains counts of articles in major papers and business and finance outlets (minus *PR Newswire*) that mention Enron in the headline or lead paragraph, as well as counts of articles that go on to mention in the text terms associated with profits, soft news, or negative news. In January 2001 there were 92 stories with Enron leads in major papers, with 23 of these (25%) containing negative language. In the business press there were 270 stories focusing on Enron, with 43 (16%) containing negative terms. During most of 2001 coverage of Enron remained relatively positive, despite a prescient story in the March 2001 *Fortune* entitled "Is Enron Overpriced" and the resignation of CEO Jeffrey Skilling in August for personal reasons.[20] Negative coverage began in earnest, however, when Enron on October 16, 2001 announced a loss of $618 million for the third quarter. Reporters for the *Wall Street Journal* linked the losses to partnerships that Enron executives had profited from. Damaging stories and announcements multiplied quickly, and the company filed for bankruptcy on December 2, 2001.

The sudden eruption of the scandal increased coverage by a factor of ten. In January 2002, major paper coverage of Enron had jumped to 3,446 stories, of which 2,220 (64%) were negative. In the business press 2,439 stories had Enron in the headline or lead paragraph, with 2,229 (94%) containing negative news. While 37% of the major paper articles in January 2002 focused on profits, earnings, or sales, these terms figured in 80% of the business and finance coverage. While the percentage of stories with soft news terms stayed relatively constant throughout the year, the jump in total coverage volume meant that the count of soft news stories about Enron grew from 9 in January 2001 in major papers to 397 in January 2002. The rush of

negative events, information, and coverage is reflected starkly in the stock price drop from $80 on January 31, 2001 to $.60 on December 31, 2001.

Table 9 suggests that media coverage can uncover a CEO's type before a scandal becomes public and the chief executive is indicted or resigns. In specification 1, we estimate the degree to which information in the business and finance news outlets file in Lexis, which includes company press releases on *PR Newswire,* in 1999 predicts which firms will be involved in CEO scandals in 2001-2002. The number of articles about the firm, the percentage of firm articles that are negative or focus on the CEO, and company sales are not statistically significant. The greater the percentage of stories about the CEO in 1999 that contained soft news, however, the more likely the firm was to be involved in scandal in 2001-2002. This is consistent with scandal-prone CEOs being more likely to engage in on-the-job consumption of fame and reputation. Those CEOs who give interviews and search out soft news coverage are more likely to be the ones that abuse the principal-agent relationship in ways that result in their indictment or resignation later. Specification 2 drops the *PR Newswire* articles from the business and finance news outlets and finds the same result as in (1). The higher the percentage of CEO stories in business and finance news stories that include soft news details, the greater likelihood that the company CEO will later be found involved in scandal.

IV. Conclusions

Our research shows that media coverage of a CEO is determined by market forces. We find that the level and tenor of stories about chief executives emerge from the interaction of CEOs seeking attention, journalists aiming for readers and viewers, and news consumers in search of work information, investment advice, and diversion. Coverage of CEOs follows real

world outcomes. When real GDP declines, the average number of stories about large firms and their CEOs increases in the *New York Times*. As firm sales increase, the number of articles in the *Times* increases, while the overall percentage mentioning the CEO declines.

Given the wide set of potential company stories the real world serves up, however, our results show that the articles that reporters chose to write vary considerably with audience interests and niche targeting. Major papers offer CEO stories with a higher percentage of negative news and soft news elements than the business and finance press. This is consistent with major papers being more likely to serve entertainment demands than the producer information demand served by the specialized business press. A focus on negative news and soft news is also a hallmark of criticism of major paper coverage of political figures.[21] The emphasis on scandal, reverses, and lifestyles in major paper coverage of economics and politics again relates to the fact that some consumers will be reading for diversion rather than for information that helps them make investment or voting decisions.

We find that the set of CEOs covered as celebrities, either in positive stories, negative stories, or soft news profiles, is highly concentrated. Major paper coverage of CEOs is much more concentrated than coverage of firms, consistent with the notion that CEOs are used to create familiar continuing stories that will attract and interest readers. Reporters are more likely to treat CEOs as celebrities the greater the potential audience of investors, reflected in the number of common shares outstanding in the firm. Though celebrity CEOs may attract attention in the stock market, we find in the short and long run that firms with celebrity CEOs do not earn higher average shareholder returns. CEO attempts to court media coverage vary with the business cycle. As manufacturing shipments or the Dow Jones Industrials Index increase, the

number of press releases mentioning CEOs and soft news terms increases. As shipments grow, companies also issue more press releases linking CEOs with profits, earnings, or sales.

We have not attempted to untangle the impact of CEO coverage on daily share price movements, CEO salaries, or the future mobility of chief executives. Our research does suggest, however, that for some CEOs media coverage equates to on-the-job consumption of fame. These are the same CEOs who may take advantage of shareholders in ways that lead to their indictment or resignation amid scandals. CEOs later involved in scandal generate much higher levels of soft news coverage in the years before their illegal or unethical actions come to light. In major paper articles, for example, CEOs later involved in scandals in 2001-2002 had twice the percentage of soft news coverage in 1999 than a comparison set of CEOs. We find that, controlling for many factors, CEOs who generate soft news articles in the business and financial press are more likely to be the type of executives later found to be charged with misusing company resources or violating regulations. Though soft news is often criticized as insubstantial and unenlightening, our results suggest there is real information buried in the personal stories of CEOs. The willingness of CEOs to grant interviews and take steps to court soft news coverage are a signal that the chief executive may not be an ideal or honest agent in the long run.

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i. Quotations in this paragraph come from Lieberman (2000), Smille (1998), and Walker (2002).

ii. We interpret scandalous CEOs as acting against the interests of shareholders since their actions often involve the misuse of company resources or misreporting of company results. We do not analyze whether shareholders may have benefitted from some of the illegal actions pursued by these CEOs.

iii. For an analysis of the economic market for public affairs stories, see Hamilton, 2004.

iv. In 2000 CNBC, a cable channel focused during the daytime on business news, averaged according to Nielsen ratings 370,000 viewers on weekdays between 6 am and 6 pm. This figure fell to 279,000 in 2002. See Wilbert, 2003.

v. McLean and Elkind (2003, p.182) note how Ken Lay's fame as CEO of Enron helped the company generate business:

Ken Lay himself helped EES [Enron Energy Services] rope in prominent corporations. His calendar is dotted with meetings and phone calls with top executives of other companies, opening doors for the division ... . Whenever the EES deal makers had trouble getting in to make their pitch to a prospect, they would call on Lay. 'Ken can get us in,' Pai [the head of EES] would say.

vi. See Cowen 2000 for a discussion of the economics of fame.

vii. Business books for corporate managers explicitly view media coverage as an essential part of reputation building. See, for example, the how- to- book by Gaines-Ross (2003) entitled *CEO Capital: A Guide to Building CEO Reputation and Company Success*. For a theoretical assessment of the social welfare effects of dissemination of economic information by the media, see Morris and Shin (2001).

viii. The year data refer to the year the sales were made rather than the year the *Forbes* list was published. Our list of the 80 largest U.S. firms by sales revenue for 1970, for example, was published by *Forbes* in spring 1971. If company name changed during the year, both names were searched. If the CEO listed for a firm differed from one listed in the prior year's list, the previous year's CEO was also added to the CEO search with an or indicator to capture coverage of the CEO office throughout the year. A CEO's last name was used as the search term, except in the few cases where a first name was added to eliminate false positives. We analyze *New York Times* coverage up to 1999 because that was the last available year in the ProQuest archives.

ix. While coverage within the *New York Times* was not at historically high levels, it is the case that in the late 1990s the proliferation of cable channels and Internet sites had increased the number of outlets providing information about CEOs relative to coverage in the 1970s.

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x. Farber and Hallock (1999) find that reductions in force (RIFs) at firms generate extensive media coverage. They collect information from the *Wall Street Journal* index on 3,878 announcements of RIFs between 1970-1997 and determine that stock market reaction to these firm announcements has over time become less negative.

xi. Assessing coverage of major-party presidential nominees in *Time* and *Newsweek* from 1960 to 1992, Patterson (1993) found that unfavorable references to the candidates grew from approximately 25% in 1960 to 60% in 1992.

xii. Stories about CEO scandals may also relate to demand for public policy information since the scandals were frequently mentioned in congressional debates about legislation dealing with accounting regulation and corporate disclosure requirements.

xiii. In this section we discuss differences and similarities in coverage across market niches. To determine whether differences were statistically significant, we conducted chi-square tests of whether a type of coverage was independent of market niche. For example, the chi-square value of 18.1 allows us to reject the hypothesis at the .01 level that soft news coverage in 1996 was independent of whether articles were in the three national papers (32% soft news) versus business and finance news outlets (16% soft news). In the text when we indicate coverage patterns are different this means the chi-square tests rejected the hypothesis (at the .1 level or better) that coverage was independent of niche. When we indicate that the content percentages are similar this means the chi-square tests failed to reject the independence hypothesis.

xiv. For 1995 total sales, the concentration figures were top 5 22.7%, top 20 45.2%, and top 40 61.6%. For 1996 shares were top 5 20.8%, top 20 41.7%, and top 40 57.9%, while for 1997 the concentration of sales was top 5 21.1%, top 20 43.7%, and top 40 61.0%.

xv. Data on firm return to shareholders came from the Compustat's Executive Compensation (ExecuComp) database. Return to shareholders is based on the percentage difference in share price over the course of a firm's fiscal year. Compustat adjusts the return to shareholders to take account of stock splits and the reinvestment of dividends. Note that the sample size for the calculation of returns declines as the time horizon increases from 1 year to 5 years; this in part is because firms may merge or be acquired. The relatively smaller number of firms in 1997 with 5 year returns may be because full information on company returns for fiscal year 2002 were not in the version of Compustat available at the time of the analysis. The sample for 1997 S&P companies was created by taking 200 randomly selected firms from the 1997 S&P list and matching them via ticker symbols with the ExecuComp data. While over 75% matched correctly with the ExecuComp data, further research was required to link up those firms whose 1997 ticker symbols did not match current data in ExecuComp. To avoid this problem the 1995 and 1996 samples were constructed by taking a larger randomly selected draw of firms from the S&P for each year and then taking the first 200 from these samples whose ticker symbols matched up with ExecuComp data. This means that the 1995 and 1996 sample data may be less likely to include firms that merged or were acquired than the 1997 data.

16. Note that since media counts and compensation are analyzed here for the same year, some of the articles may be generated by a focus on the levels of compensation for particular CEOs.

17.Norris (2003, p. 154) relates that Al Dunlap, fired in 1998 as CEO of Sunbeam amid fraud charges, had been fired in 1976 as president of Nitec and had been sued by the company for fraud. The company charged in part that Dunlap had used firm funds "to conduct a personal publicity and self-glorification campaign."

18. Sample sizes for the analyses in Tables 7 and 9 will vary by year. Two scandal CEOs, Martha Stewart and Steve Madden, are dropped because of the difficulty of determining which articles about their firms contained mentions of the CEO because the firm names (Martha Stewart Living Omnimedia and Steve Madden Inc) contain the CEO names. This also dropped their comparison firms from analyses. Some scandalous firms were dropped from analyses in 2000 since their scandals were made public in that year. Note that while we focus on firms whose CEOs were indicted in 2001-2002 or resigned then, the illegal or unethical actions made by the CEOs could have transpired years prior to this. The set of scandal CEOs contained Dennis Kozlowski (Tyco), John Rigas (Adelphia Communications), Bernard Ebbers (WorldCom), Samuel Waksal (ImClone Systems), Gregory Earls (US Technologies), Joseph Nacchio (Qwest Communications), Clark McLeod (McLeodUSA), Yervent David Lepejian (HPL Technologies), Timothy Horne (Watts Industries), Bruce Bertman (WorldTeq Group), John Cassese (Computer Horizons), Richard Scrushy (HealthSouth), Lycourgos Kyprianou (AremisSoft Corporation), Michael Segal (Near North National Group), Kenneth Lay (Enron), Stuart Wolff (Homestore), Richard Jay Kogan (Schering-Plough), William Compton (Tropical Sportswear), Daniel Rabinowitz (Windsor Woodmont Black Hawk Resort), Chuck Conaway (Kmart Holding Corporation), Leandro Rizzuto (Conair), Steve Madden (Steve Madden Ltd), Michael Saylor (MicroStrategy), Richard Thoman (Xerox), Gholamrez Mikailli (Unify Corporation), Alan Anderson (Quintus), Thomas Hughes (Econnect), Kenneth Winger (Safety-Kleen), Ian Wilson (Aurora Foods), and Martha Stewart (Martha Stewart Living Omnimedia).

19. Note that we have constructed our sample so that the scandals associated with the CEOs in 2001 and 2002 had not been made public (in terms of coverage in major papers) in 1999.

20. For detailed discussions of media coverage of Enron, see Sherman, 2002, McLean and Elkind, 2003, and Smith and Emshwiller, 2003.

21. Patterson (2000) analyzes changes over time in soft news coverage and the negative tone in political coverage in newspapers, magazines, and network television.

Table 1

Firm and CEO Coverage Patterns Over Time in the *New York Times*, 1970-1999

A. Annual Sample Averages	(1) Annual Average Stories Per Firm	(2) Annual Average Stories Per CEO	(3) Annual % of Firm Stories Mentioning CEO
Intercept	195.73*** (8.34)	12.70*** (0.60)	6.53*** (0.42)
# Mutual Fund Accounts (000s)	2.34e-4** (1.04e-4)	-1.14e-6 (7.14e-6)	-7.82e-6 (5.31e-6)
Annual % Change in Real GDP	-4.76*** (1.62)	-0.32** (0.14)	-3.97e-3 (0.08)
R^2	.46	.24	.31
Durbin-Watson	1.77	1.78	1.66
N	30	30	30

B. Firm-level Coverage	(4) Firm Stories	(5) CEO Stories	(6) % of Firm Stories Mentioning CEO
Intercept	225.95*** (32.44)	11.00*** (2.95)	5.41*** (1.20)
Firm Sales (1999$ mil)	7.68e-4*** (2.75e-4)	1.1e-5 (2.9e-5)	-2e-5* (1.3e-5)
# Mutual Fund Accounts (000s)	-2e-5 (8.0e-5)	-1e-5 (8.23e-6)	-8.99e-6** (3.57e-6)
Annual % Change in Real GDP	-4.05*** (0.74)	-0.29*** (0.10)	-6.84e-3 (0.05)
Log Likelihood	-13798.95	-8862.45	-7289.95
N	2370	2370	2370

Note: All regressions were run assuming an AR1 process; specifications (4)-(6) also included firm fixed effects. Standard errors are in parentheses. *** = statistically significant at the .01 level; ** = significant at the .05 level; * = significant at the .10 level.

Table 2

CEO Media Coverage By Month, 2000 - 2003

	PR Newswire				*New York Times Washington Post, USA Today*
	(1) # Profit Stories	(2) # Soft Stories	(3) # Negative Stories	(4) # CEO Stories	(5) # Profit Stories
Intercept	-3451*** (1218)	-1027*** (245.34)	103.99 (87.11)	445.54** (177.61)	169.28*** (54.32)
Manufacturers' Shipments ($M)	.01*** (4.34e-3)	3.33e-3*** (8.60e-4)	3.52e-4 (3.15e-4)	-8.91e-4 (5.93e-4)	-3.37e-4* (1.90e-4)
Dow Jones Index	.08 (.05)	.02* (9.77e-3)	-7.90e-3** (3.60e-3)	1.80e-3 (6.10e-3)	-1.88e-3 (2.12e-3)
R^2	.38	.48	.11	.06	.17
Durbin-Watson	1.56	1.82	1.99	1.95	1.95
N	47	47	47	47	47

	New York Times Washington Post, USA Today				
	(6) # Soft Stories	(7) # Negative Stories	(8) Profit As % CEO Stories	(9) Soft As % CEO Stories	(10) Negative As % CEO Stories
Intercept	57.93** (24.03)	193.10** (93.04)	.57*** (.17)	.14 (.15)	.85* (.46)
Manufacturers' Shipments ($M)	-9.9e-5 (8.67e-5)	-3.68e-4 (3.05e-4)	-6.21e-7 (6.21e-7)	4.76e-8 (5.23e-7)	-1.10e-6 (1.53e-6)
Dow Jones Index	-1.74e-4 (9.87e-4)	-3.55e-3 (3.39e-3)	-1.3e-5* (6.99e-6)	-1.51e-6 (5.88e-6)	-2.8e-5* (1.67e-5)
R^2	.06	.10	.22	1.8e-3	.12
Durbin-Watson	1.87	1.95	1.99	1.83	1.90
N	47	47	47	47	47

Note: All regressions were run assuming an AR3 process. Standard errors are in parentheses. *** = statistically significant at the .01 level; ** = significant at the .05 level; * = significant at the .10 level.

Table 3

Soft News and Negative News in CEO Headline Stories Over Time, By Market Outlets, 1996-2002

	Major Papers	*NY Times, Washington Post, USA Today*	Knight Ridder/ Tribune Business News	Business and Finance News Outlets	*PR Newswire*	CNBC	CNNfn
1996							
# Stories	894	106	123	3,172	835		
% Soft News	21.3	32.1	24.4	16.4	20.7		
% Soft News +	37.9	47.2	46.3	40.2	50.2		
% Negative News	18.9	23.6	19.5	12.8	7.3		
1998							
# Stories	1,321	104	430	6,099	1,346	79	304
% Soft News	22.9	31.7	23.7	14.9	16.9	11.4	11.8
% Soft News +	39.9	51.9	41.9	38.6	52.6	30.4	35.2
% Negative News	21.3	28.8	24.0	11.9	8.2	8.9	10.5
2000							
# Stories	1,751	165	1,127	16,878	3,066	517	1,629
% Soft News	21.1	35.8	23.9	12.0	14.3	5.8	11.7
% Soft News +	40.5	60.0	46.8	38.1	53.5	16.8	30.6
% Negative News	20.7	34.5	23.7	7.8	5.2	8.1	8.7
2002							
# Stories	2,538	260	1,234	15,487	2,349	277	822
% Soft News	20.5	28.1	21.6	10.7	11.8	12.3	8.2
% Soft News +	40.7	49.6	42.0	29.5	49.1	32.5	22.6
% Negative News	36.8	64.6	35.3	17.9	8.3	44.0	15.3

Table 4

Percentage of Stories in Major Papers Accounted for by Top Firms and CEOs, 1995-1997

	Firm Stories	Firm Negative Stories	CEO Stories	CEO Negative Stories	CEO Positive Stories	CEO Soft News Stories
1995						
Top 5	23.2	28.2	47.8	50.0	47.3	52.6
Top 20	50.9	56.9	68.8	75.3	68.4	75.3
Top 40	70.0	74.2	80.4	87.0	79.9	86.1
1996						
Top 5	28.9	26.6	38.7	44.7	38.4	42.0
Top 20	51.3	52.1	62.3	68.1	61.3	72.2
Top 40	68.5	70.2	77.5	83.2	76.9	86.4
1997						
Top 5	28.7	28.7	41.4	45.7	41.1	51.9
Top 20	53.3	54.7	65.6	72.9	64.8	74.6
Top 40	70.6	73.3	79.6	86.1	78.6	87.5

Table 5

Firm-Level Determinants of Celebrity CEO Coverage, 1995-1997

1995 Firm Variable	Top 40, Positive CEO Stories	Top 40, Soft News CEO Stories	Top 40, Negative CEO Stories
Intercept	-2.25*** (.41)	-2.68*** (.41)	-2.50*** (.39)
Sales ($M)	1.5e-5 (2.6e-5)	1.3e-5 (2.3e-5)	1.6e-5 (2.4e-5)
% Sales Change	-0.03* (.01)	-0.01 (0.01)	-0.03* (0.02)
% Assets Change	0.03** (0.01)	0.01 (0.01)	0.03** (0.01)
Return on Assets (%)	-0.07 (0.04)	-4.46e-3 (.03)	-0.06 (0.04)
Annual Return for Shareholders (%)	1.46e-3 (7.35e-3)	0.01** (6.57e-3)	0.01** (6.28e-3)
Employees (000s)	2.48e-3 (4.27e-3)	3.25e-3 (4.02e-3)	1.59e-3 (3.92e-3)
Common Shares Outstanding (M)	3.73e-3*** (1.33e-3)	2.10e-3* (1.23e-3)	2.56e-3** (1.27e-3)
Log Likelihood	-77.9	-82.2	-78.9
N	196	196	196

1996 Firm Variable	Top 40, Positive CEO Stories	Top 40, Soft News CEO Stories	Top 40, Negative CEO Stories
Intercept	-3.02*** (0.44)	-2.73*** (0.40)	-2.72*** (0.40)
Sales ($M)	6.7e-5** (3.4e-5)	1.4e-5 (2.4e-5)	3.4e-5 (2.5e-5)
% Sales Change	0.02 (0.02)	0.01 (0.02)	0.03* (0.02)
% Assets Change	3.49e-3 (0.02)	7.66e-3 (0.02)	3.12e-3 (0.02)
Return on Assets (%)	-0.03 (0.04)	-0.03 (0.04)	-0.02 (0.04)
Annual Return for Shareholders (%)	4.27e-3 (5.09e-3)	5.16e-3 (4.93e-3)	2.86e-3 (4.86e-3)

Employees (000s)	4.19e-3 (5.11e-3)	9.62e-3* (4.93e-3)	5.93e-3 (4.51e-3)
Common Shares Outstanding (M)	2.39e-3* (1.30e-3)	2.31e-3* (1.23e-3)	1.49e-3 (1.19e-3)
Log Likelihood	-72.9	-77.7	-78.2
N	191	191	191

1997 Firm Variable	Top 40, Positive CEO Stories	Top 40, Soft News CEO Stories	Top 40, Negative CEO Stories
Intercept	-2.35*** (0.38)	-2.64*** (0.40)	-2.58*** (0.40)
Sales ($M)	9.23e-8 (3.1e-5)	-8.82e-6 (3.0e-5)	4.4e-5 (3.3e-5)
% Sales Change	9.73e-3 (0.01)	3.16e-3 (0.01)	9.64e-3 (0.01)
% Assets Change	-8.55e-3 (0.01)	-7.02e-3 (9.20e-3)	-4.83e-3 (7.50e-3)
Return on Assets (%)	-0.03 (0.03)	-0.02 (0.03)	-0.03 (0.03)
Annual Return for Shareholders (%)	-0.02*** (8.22e-3)	-9.90e-3 (7.85e-3)	-9.44e-3 (7.69e-3)
Employees (000s)	0.01 (6.99e-3)	0.01* (6.83e-3)	4.77e-3 (6.82e-3)
Common Shares Outstanding (M)	3.40e-3*** (9.98e-4)	3.56e-3*** (9.76e-4)	2.36e-3*** (8.91e-4)
Log Likelihood	-69.4	-70.3	-71.4
N	193	193	193

Note: Dependent variable=1 in logit analysis if a firm had a celebrity CEO, defined as being among the top 40 CEOs in the 200 CEO sample based on counts of positive CEO stories, soft news CEO stories, or negative CEO stories in major papers. Values for sales, employees, and common shares outstanding are from the current year (e.g., sales in 1995 models refers to sales in 1995). Variables referring to percentage changes are calculated by comparing current year levels to those in the previous year. Standard errors are in parentheses. *** = statistically significant at the .01 level; ** = significant at the .05 level; * = significant at the .10 level.

Table 6

Short and Long-run Shareholder Returns For Firms of Celebrity CEOs

	Top 40 CEOs By Positive Stories		Rest of Sample CEOs	
	Mean Annual Return (%)	**N**	**Mean Annual Return (%)**	**N**
1995 Sample				
Year 1	18.3	39	20.3	159
Year 2	27.2	38	29.6	155
Year 3	33.9	38	9.8**	152
Year 4	37.9	35	12.9	144
Year 5	1.7	34	14.5	138
1996 Sample				
Year 1	29.3	39	31.7	156
Year 2	38.3	37	11.0**	150
Year 3	32.8	36	13.1	146
Year 4	-3.6	35	17.0**	140
Year 5	-2.3	35	.2	133
1997 Sample				
Year 1	25.7	36	6.8**	154
Year 2	8.7	31	5.9	141
Year 3	17.3	30	15.6	130
Year 4	-1.1	29	10.0*	124
Year 5	-15.2	29	-11.2	122

Note: In difference of means tests for mean annual returns of celebrity versus other firms, *** = statistically significant at the .01 level; ** = significant at the .05 level; * = significant at the .10 level.

Table 7

Media Coverage of Scandal (S) Versus Nonscandal (NS) Firms, 1999-2002

	Major Papers		Business and Finance News Outlets		*PR Newswire*	
	S	**NS**	**S**	**NS**	**S**	**NS**
1999						
Average # Firm Articles	372.5	630.9	1210.3	1690.0	163.4	212.9
Average # Firm and CEO Articles	26.1	27.2	76.8	84.5	10.3	7.5
Average Firm Sales ($M): S = 8421.6, NS = 6839.5						
Number of Firms: S=27, NS=27						
Of Firm, Average % Negative	16.3	10.2	7.3	11.7	3.3	3.9
Of Firm, Average % Mention CEO	9.0	7.7	19.3	21.2	19.5	18.2
Of CEO, Average % Negative	22.7	5.4**	7.4	10.2	8.1	2.6
Of CEO, Average % Soft News	18.8	8.8*	9.0	4.7**	2.5	8.2
2000						
Average # Firm Articles	598.5	910.2	1694.5	2561.1	245.0	381.2
Average # Firm and CEO Articles	43.9	33.4	107.7	90.5	13.1	9.5
Number of Firms: S=20, NS=20						
Of Firm, Average % Negative	19.9	13.0*	12.3	8.2	10.0	3.9
Of Firm, Average % Mention CEO	14.3	5.8*	22.0	16.5	12.3	12.5
Of CEO, Average % Negative	25.0	7.3***	14.6	9.6	7.3	10.3
Of CEO, Average % Soft News	20.3	12.6	12.4	9.3	10.8	11.8
2001						
Average # Firm Articles	617.6	677.0	1408.7	1665.7	194.0	231.3
Average # Firm and CEO Articles	54.8	38.1	114.6	86.6	14.0	7.4*
Number of Firms: S=28, NS=28						
Of Firm, Average % Negative	25.6	18.8	14.6	8.7**	6.7	2.1***
Of Firm, Average % Mention	11.1	9.4	20.5	20.3	15.3	20.2

Table 7

Media Coverage of Scandal (S) Versus Nonscandal (NS) Firms, 1999-2002

	Major Papers		Business and Finance News Outlets		*PR Newswire*	
CEO	S	NS	S	NS	S	NS
Of CEO, Average % Negative	34.6	21.6	19.8	7.8***	17.3	1.6**
Of CEO, Average % Soft News	16.2	7.5**	10.5	6.7	4.2	11.3
2002						
Average # Firm Articles	2564.2	642.0	4145.1	1578.4	201.7	210.4
Average # Firm and CEO Articles	407.6	30.1**	546.7	80.7**	15.4	9.1
Number of Firms: S=27, NS=27						
Of Firm, Average % Negative	52.1	24.5***	37.7	12.8***	15.0	5.9***
Of Firm, Average % Mention CEO	24.8	4.9***	24.8	17.5	21.4	17.0
Of CEO, Average % Negative	66.3	30.4***	50.9	15.5***	33.8	5.0***
Of CEO, Average % Soft News	17.8	19.6	11.9	7.7*	7.1	4.9

Note: In difference of means tests for variable means of scandal vs nonscandal firms, *** = statistically significant at the .01 level; ** = significant at the .05 level; * = significant at the .10 level.

Table 8

Media Coverage of Enron By Month, January 2001 - January 2002

Major Paper Story Counts

Month	Enron Lead Stories	+ Profits	+ Soft News	+ Negative News	Stock Price At Month's End
January, 2001	92	41	9	23	$80.00
February, 2001	89	33	7	10	$68.50
March, 2001	94	33	7	17	$58.10
April, 2001	227	53	12	19	$62.72
May, 2001	195	35	9	20	$52.91
June, 2001	199	56	11	57	$49.10
July, 2001	183	40	20	35	$45.35
August, 2001	272	70	19	49	$34.99
September, 2001	219	34	21	25	$27.23
October, 2001	382	88	32	61	$13.90
November, 2001	592	289	25	202	$ 0.26
December, 2001	1408	645	93	426	$ 0.60
January, 2002	3446	1277	397	2220	.

Business and Finance News Outlets Story Counts (without *PR Newswire*)

Month	Enron Lead Stories	+ Profits	+ Soft News	+Negative News
January, 2001	270	96	4	43
February, 2001	283	79	12	30
March, 2001	223	93	7	24
April, 2001	306	131	5	28
May, 2001	316	81	10	34
June, 2001	287	96	13	50
July, 2001	221	93	5	47
August, 2001	297	127	20	68
September, 2001	182	56	7	32
October, 2001	390	195	11	86
November, 2001	1423	754	39	354

December, 2001	2484	1250	118	649
January, 2002	2439	1940	347	2299

Table 9

Predicting Which CEOs Will Become Involved in Scandal in 2001 - 2002, Based on 1999 Media Coverage

Variable	(1)	(2)
Intercept	.02 (.75)	
Business and Finance News Outlets, 1999		
# Firm Stories	-1.0e-4 (9.5e-5)	
% Firm Stories Negative	-5.25 (4.57)	
% Firm Stories Mentioning CEO	-0.75 (1.65)	
% CEO Stories Containing Soft News	12.05** (5.93)	
Firm Sales ($M)	7.49e-6 (2.4e-5)	
Log Likelihood	-29.6	
N	48	
Intercept		.03 (.75)
Business and Finance, without *PR Newswire*, 1999		
# Firm Stories		-1.1e-4 (1.08e-4)
% Firm Stories Negative		-3.82 (4.42)
% Firm Stories Mentioning CEO		-0.87 (1.57)
% CEO Stories Containing Soft News		11.94** (5.36)
Firm Sales ($M)		1.94e-6 (2.3e-5)
Log Likelihood		-27.2
N		46

Note: Dependent variable in logit analysis =1 if firm's CEO was the subject of a scandal in 2001 or 2002. Standard errors are in parentheses. *** = statistically significant at the .01 level; ** = significant at the .05 level; * = significant at the .10 level.

Figure 1

A Market for CEO Coverage

Demand Side Factors: Audience interests create demands for different types of coverage

Demand Type	Targeted By	Impact on Tone	As Business Indicators Drop
Consumer (e.g., Investor)	Business Media/Major Papers		Decline in investor info demand
Producer (e.g., Bus. Exec)	Business Media		
Entertainment	Major Papers	More soft and negative	Increase in negative news coverage Increase in profits stories Increase in CEO stories
Voter	Major Paper		

Supply Side Factors: Company PR, including CEO interviews, lowers information costs for reporters

CEO Actions	Impact on Tone	As Business Indicators Drop
CEO credit claiming/blame shifting		CEO PR mentioning profits declines CEO PR containing soft news declines CEO PR with negative news terms increases
CEOs grant interviews in search of fame (on-the-job consumption), wages, or celebrity benefits for their firms	More soft news coverage	

Figure 2: Average Number of *New York Times* Stories Per Firm By Year, 1970-19992

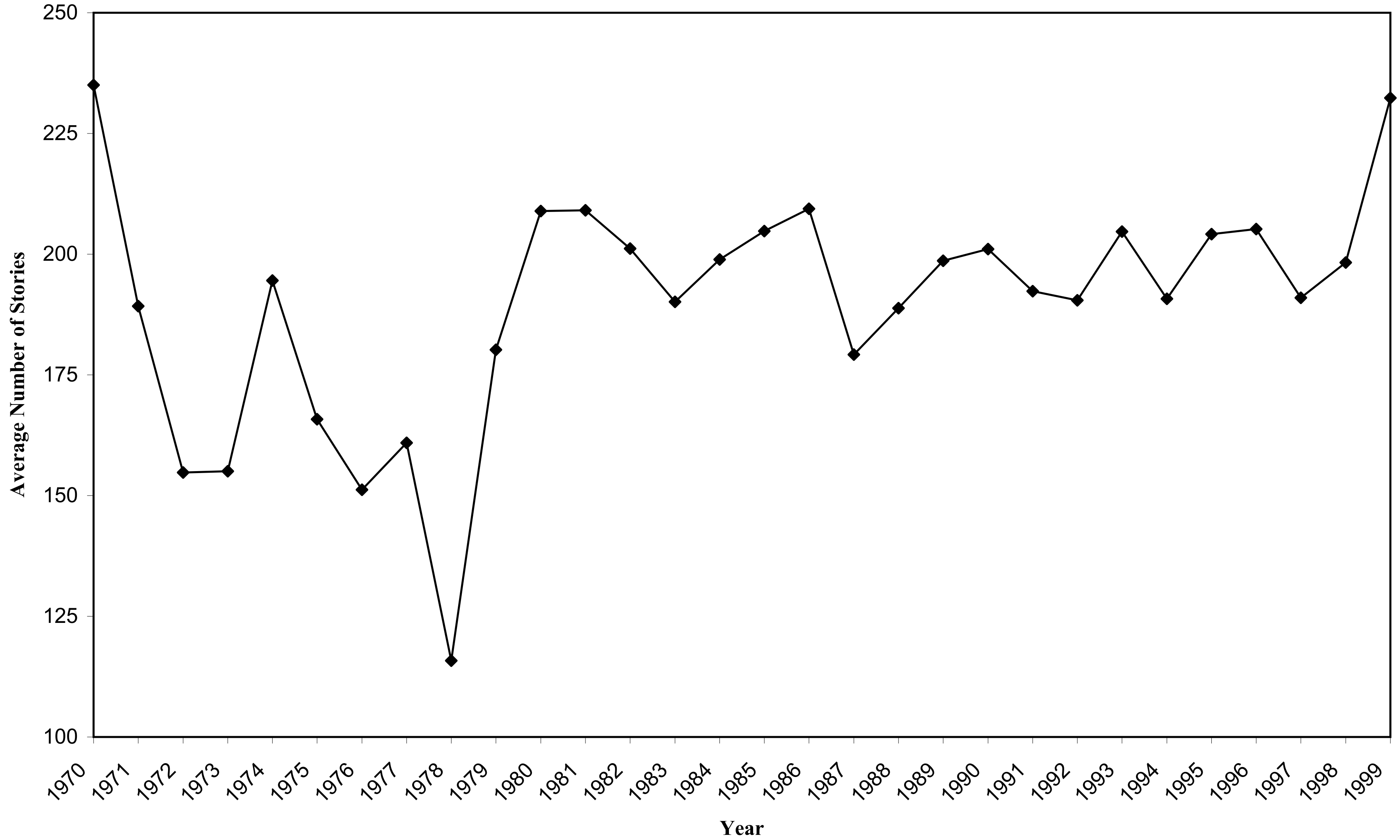

Figure 3: Average Number of *New York Times* Stories Per CEO By Year, 1970-1999

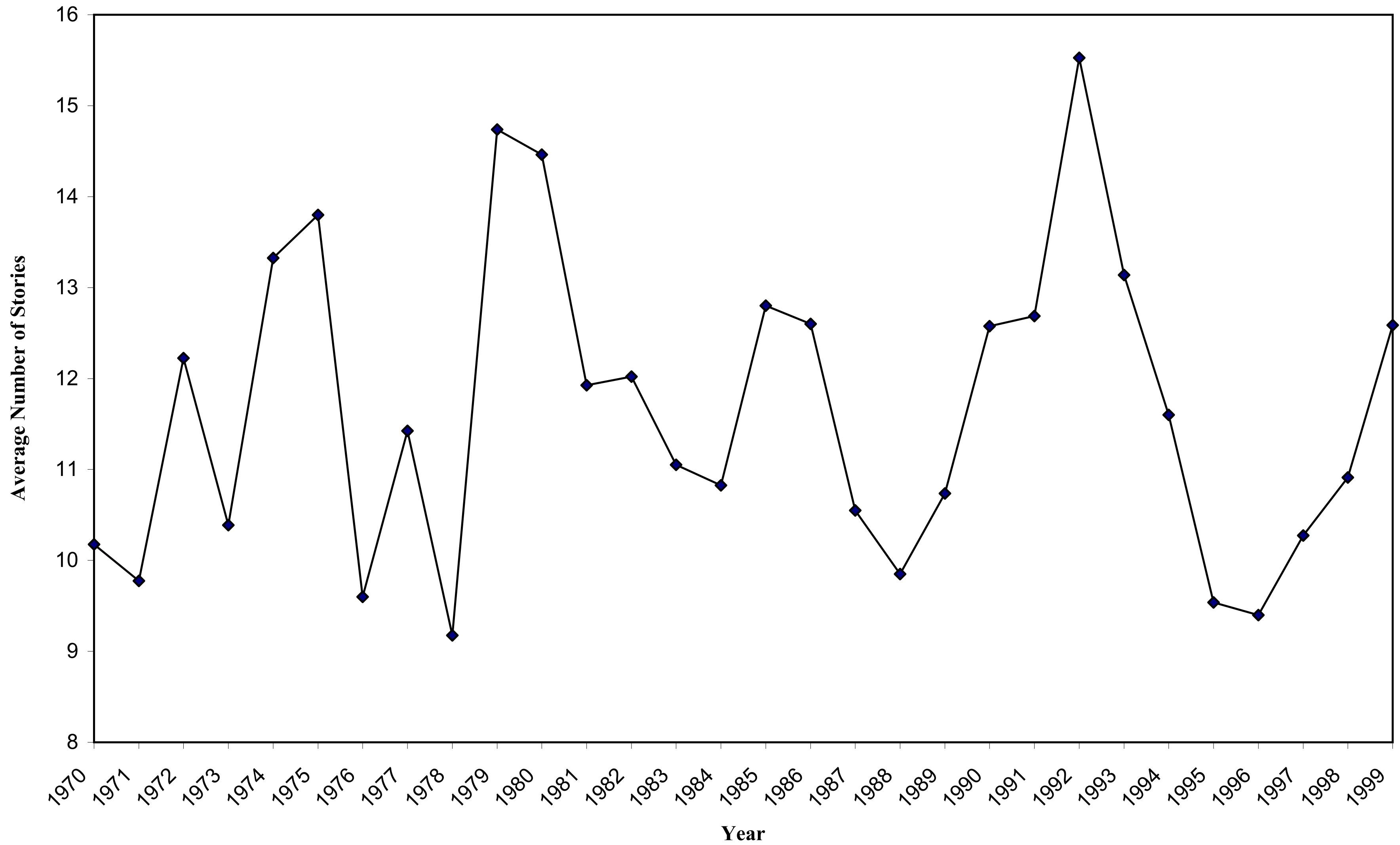

Figure 4: Percent of Firm Stories in *New York Times* Mentioning CEOs By Year, 1970-1999

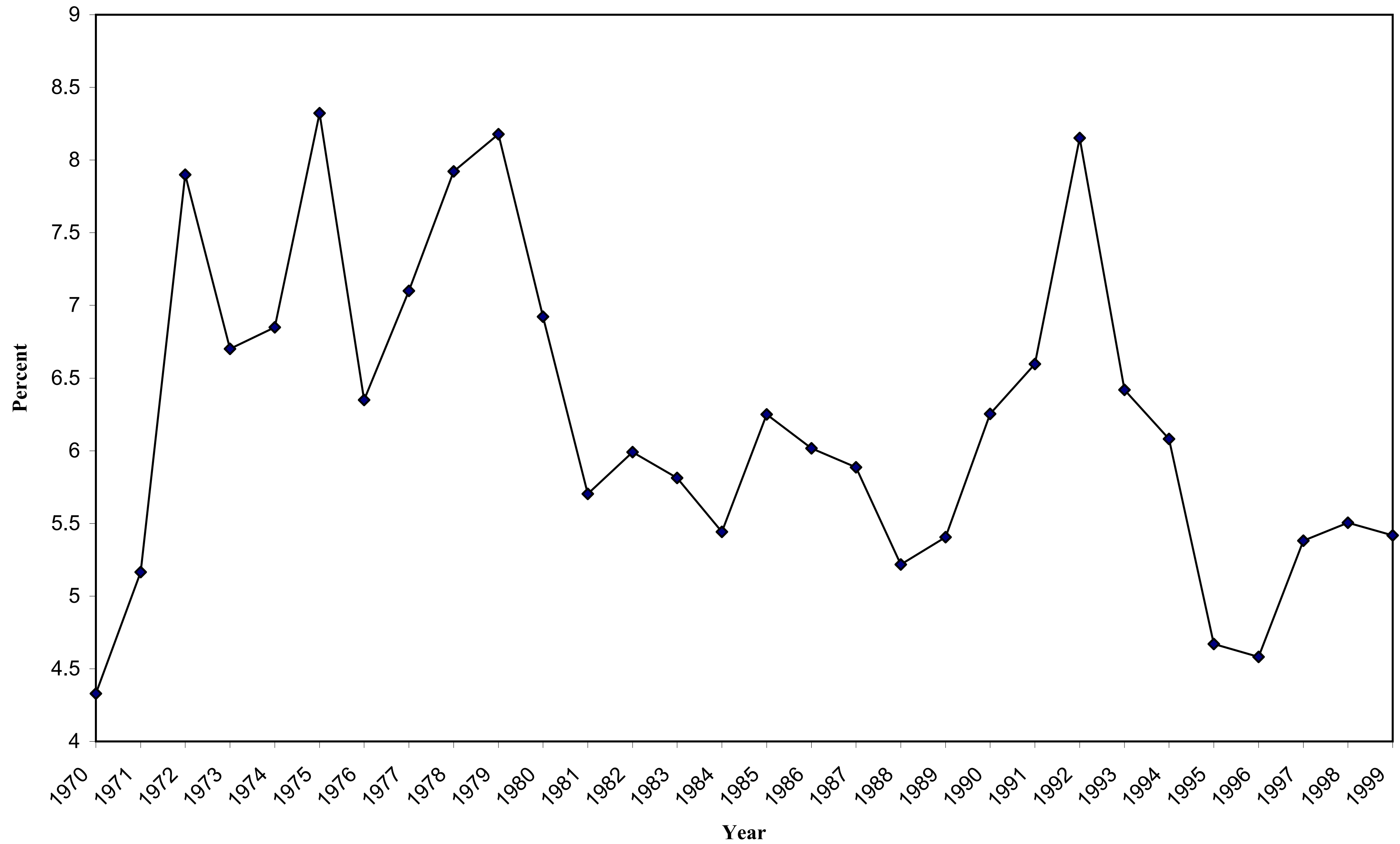

Figure 5: Total Number of *New York Times* CEO Stories By Type, By Year, 1970 - 1999

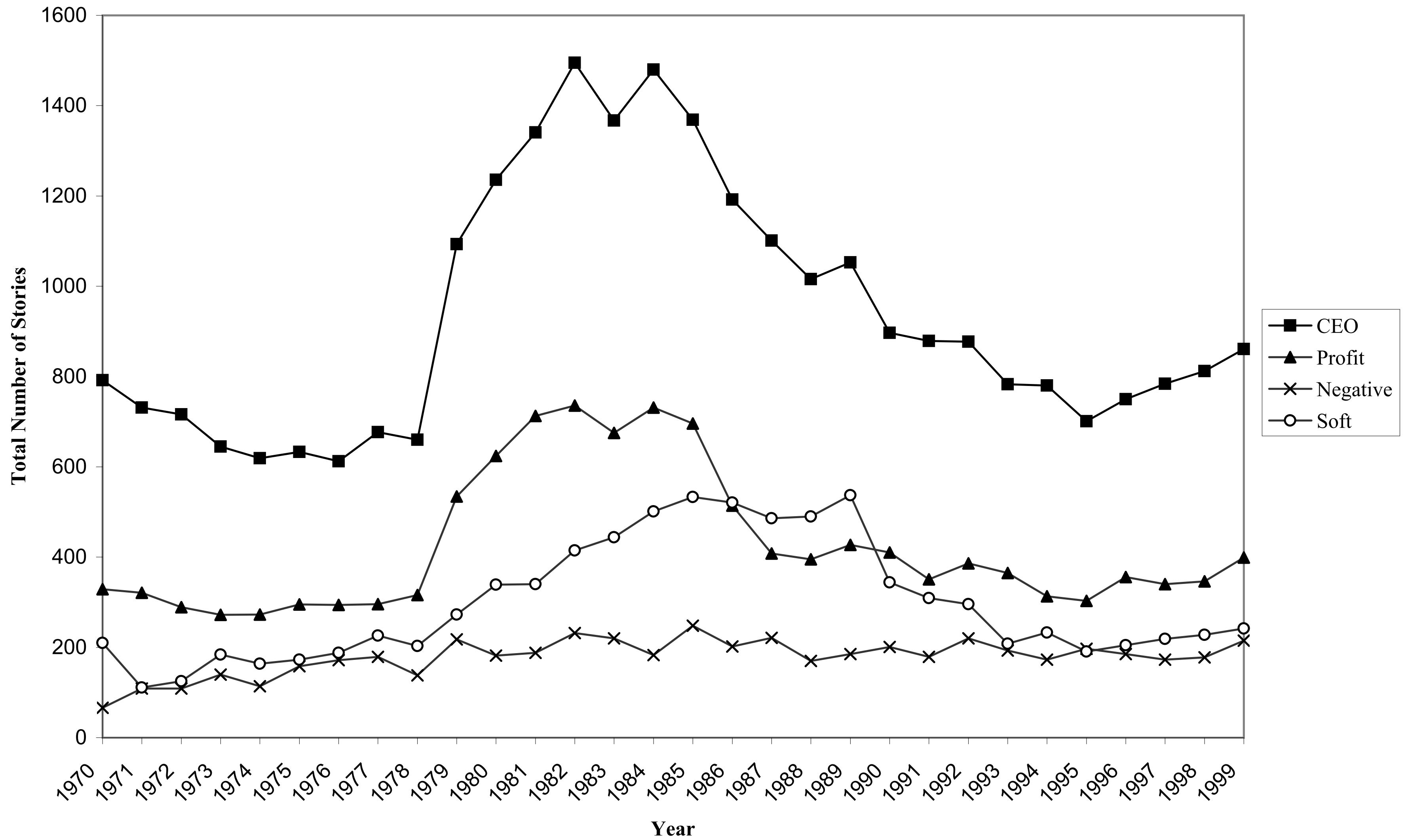

Figure 6: Percent of Total *New York Times* CEO Stories By Type, By Year, 1970 - 1999

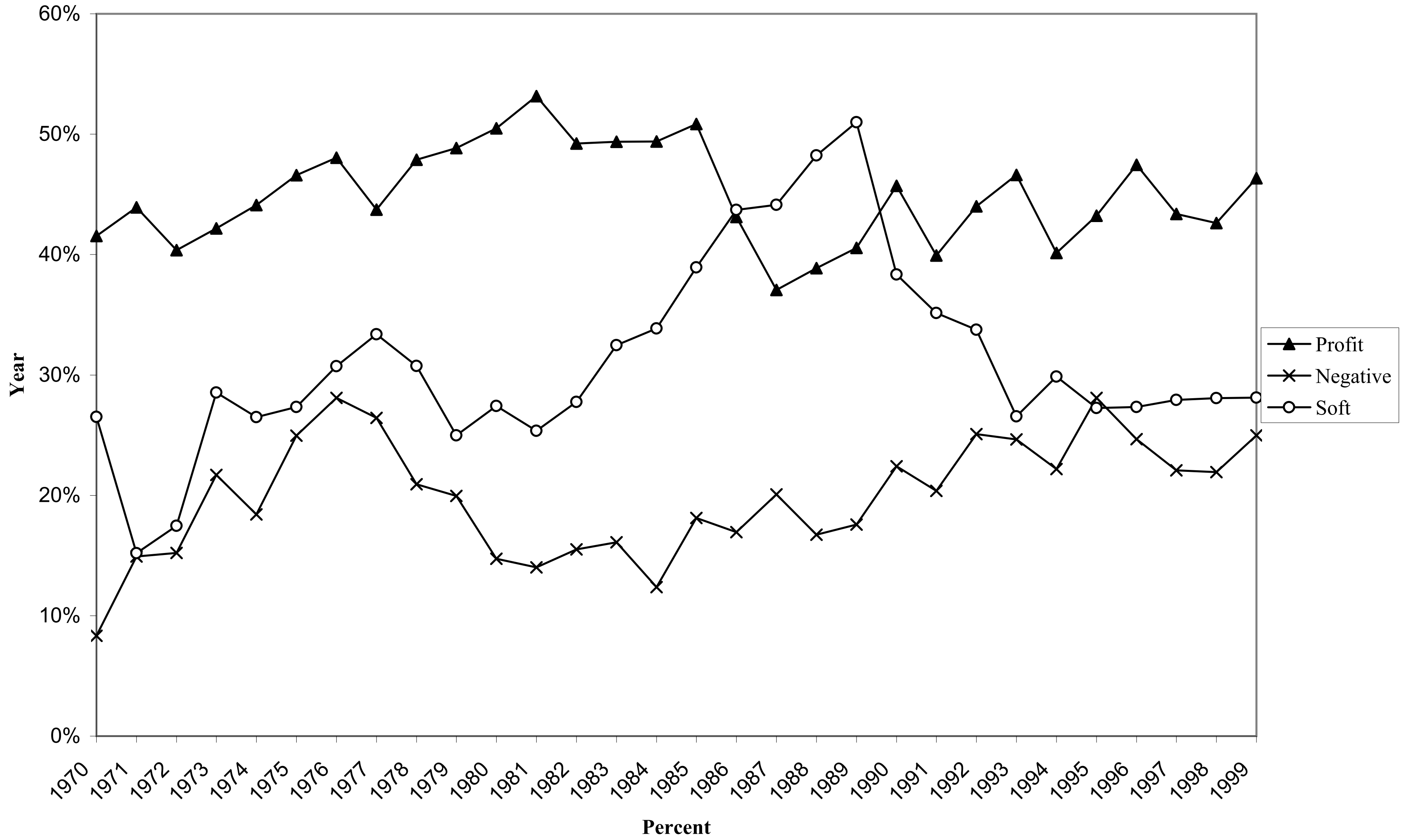

Figure 7: Total Number of CEO Stories in *PR Newswire* By Type, By Month, 2000 - 2003

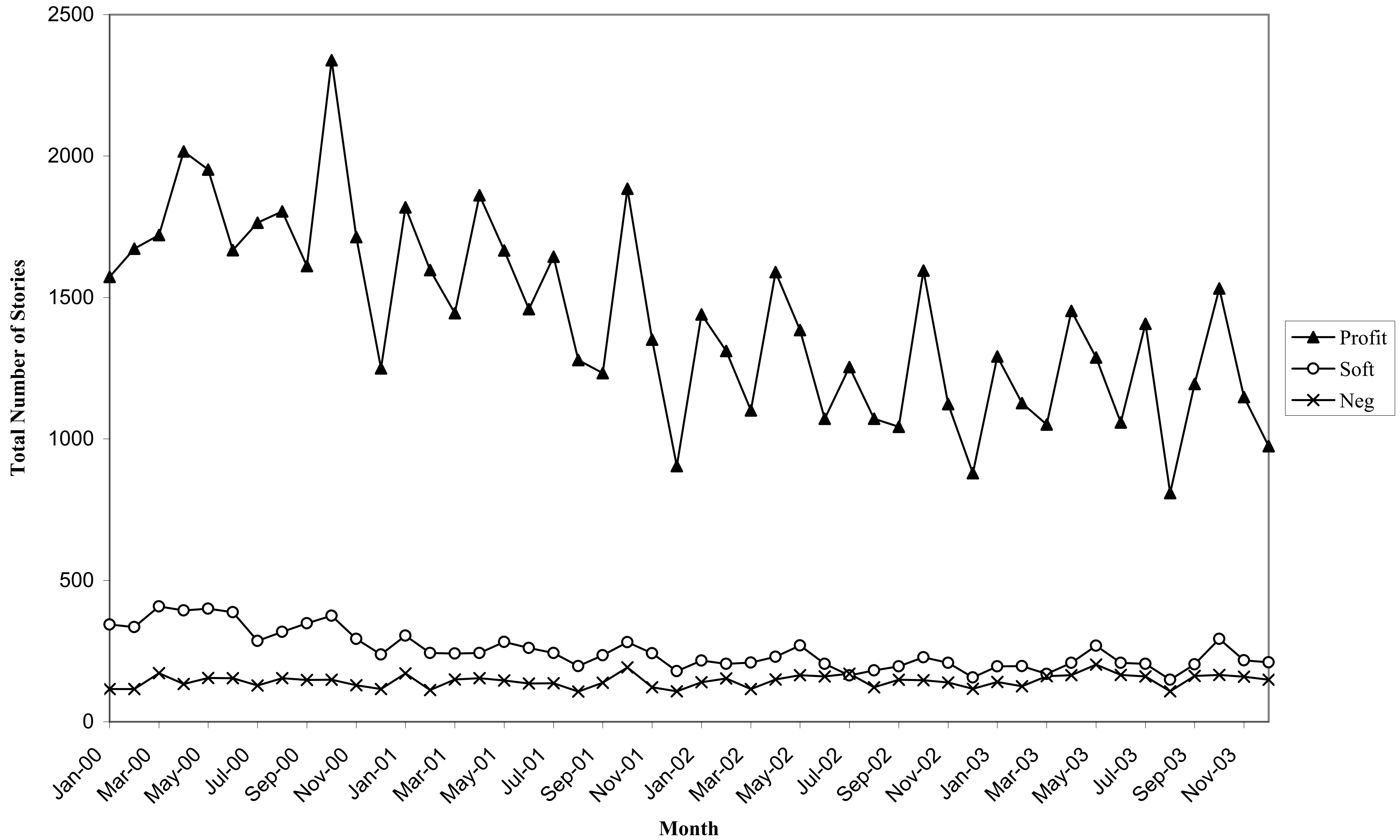

Figure 8: Total Number of CEO Stories in *New York Times, Washington Post,* and *USA Today* By Type, By Month, 2000 - 2003