

Online Appendix: The Effects of Media Slant on Firm Behavior

Table A1

Pearson (upper triangle) and spearman (lower triangle) correlations in sample firms.

The table presents the correlation between variables used in the study. The upper triangle shows Pearson correlations and the lower triangle Spearman correlations. Appendix A presents variable definitions. Bold values indicate significance levels at $p < 0.1$ (two tailed).

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.
1. Ncskew		-0.01	0.01	0.05	-0.07	0.05	0.09	0.03	-0.10	0.01	0.02	0.03	-0.15	0.00	0.06	0.14
2. FNC_subscriptions	-0.01		0.92	0.21	-0.12	-0.01	0.11	-0.01	-0.03	-0.01	0.05	0.11	0.07	0.06	0.04	0.03
3. FNC_indicator	-0.00	0.91		0.18	-0.13	-0.01	0.06	-0.00	-0.03	-0.00	0.06	0.09	0.06	0.03	0.00	0.02
4. Soft_money_dem	0.09	0.20	0.17		-0.07	-0.04	0.35	-0.05	-0.21	-0.07	-0.05	0.02	-0.05	-0.01	0.27	0.19
5. Election	-0.16	-0.12	-0.13	-0.04		-0.18	-0.03	0.01	0.08	0.03	-0.03	-0.09	-0.05	-0.03	-0.04	0.02
6. Post_election	0.11	-0.01	-0.01	-0.00	-0.18		0.03	0.03	0.01	-0.03	0.03	-0.03	0.10	0.01	0.01	-0.02
7. Log_mark_cap	0.17	0.12	0.05	0.44	-0.03	0.04		-0.11	-0.51	0.05	0.06	0.23	0.05	0.08	0.65	0.79
8. Chg_sales	0.01	0.00	0.03	0.02	-0.08	0.08	-0.18		0.07	-0.00	-0.02	-0.02	-0.10	-0.04	-0.08	-0.05
9. Sigma	-0.11	-0.08	-0.05	-0.21	0.09	0.03	-0.50	0.14		0.40	0.32	0.27	0.16	0.09	-0.32	-0.33
10. Turnover	0.08	0.00	0.01	0.10	-0.02	-0.03	0.12	-0.10	0.38		0.76	0.53	0.14	0.33	-0.08	0.17
11. Lag_turnover	0.08	0.06	0.08	0.14	-0.02	0.02	0.10	-0.08	0.32	0.84		0.54	0.06	0.25	-0.07	0.21
12. Beta	0.07	0.12	0.11	0.14	-0.14	-0.08	0.23	-0.06	0.20	0.52	0.53		0.09	0.18	0.02	0.28
13. Return	-0.07	0.06	0.05	-0.04	-0.18	0.13	0.15	-0.23	-0.10	0.03	-0.03	-0.02		-0.02	-0.07	-0.06
14. Lag_return	0.12	0.06	0.02	0.00	-0.14	0.12	0.17	-0.16	-0.22	0.06	-0.01	0.09	0.01		-0.01	0.05
15. Fortune_500	0.10	0.04	0.01	0.34	-0.03	0.01	0.68	-0.02	-0.34	0.03	0.03	0.05	0.00	0.03		0.57
16. Log_analyst	0.17	0.04	0.01	0.34	0.02	-0.04	0.82	-0.14	-0.29	0.27	0.26	0.31	0.01	0.06	0.61	

Table A2**Slanted media outlet availability and news suppression with different fixed effects.**

The table presents results on the relation between slanted media outlet availability and news suppression around the 2000 election. The dependent variable in all models is *Ncskew*, which is a firm's third moment of excess daily stock returns scaled by its cubed standard deviation times minus one. In columns 1, 3, and 5, *FNC* is measured as the natural logarithm of the number of Fox News Channel subscriptions per congressional district, denoted *FNC_subscriptions*. In columns 2, 4, and 6, *FNC* is an indicator equal to one if Fox News Channel was available in a particular congressional district, and zero otherwise, denoted *FNC_indicator*. The models differ in the fixed effects included. Columns 1 and 2 include state-by-year fixed effects. Columns 3 and 4 include industry-by-year and state-by-year fixed effects. Columns 5 and 6 include industry-by-year and firm fixed effects. All models span the period 1998–2003. The results reported are from an OLS estimation and use the sample of firms as defined in Table 2. The results reported are from an OLS estimation and use the sample of firms as defined in Table 2. The models include main effects, double interactions, control variables (the same as in Table 4, i.e., *Log_mark_cap*, *Chg_sales*, *Sigma*, *Beta*, *Turnover*, *Lag_turnover*, *Return*, *Lag_return*, *Fortune_500*, *Log_analyst*), and various fixed effects. Standard errors are clustered by state. *p*-values (two tailed) are displayed in parentheses below the coefficient estimates. *, **, *** represent significance at the 10%, 5%, and 1% level, respectively. Appendix A presents variable definitions.

Variables	Pred.	FNC =	FNC =	FNC =	FNC =	FNC =	FNC =
		FNC_subscription s	FNC_indicator	FNC_subscription s	FNC_indicator	FNC_subscription s	FNC_indicator
		(1)	(2)	(3)	(4)	(5)	(6)
		Ncskew	Ncskew	Ncskew	Ncskew	Ncskew	Ncskew
Election x FNC x Dem_firm	–	–0.033*	–0.506**	–0.033*	–0.495*	–0.039*	–0.617*
		(0.10)	(0.04)	(0.10)	(0.06)	(0.08)	(0.07)
Post_election x FNC x Dem_firm	+	0.036*	0.386	0.045***	0.477*	0.042*	0.443
		(0.06)	(0.16)	(0.01)	(0.06)	(0.10)	(0.14)
Test: (Post_election x FNC x Dem_firm) – (Election x FNC x Dem_firm) > 0		<i>p</i> <0.001***	<i>p</i> <0.001***	<i>p</i> <0.001***	<i>p</i> <0.001***	<i>p</i> <0.001***	<i>p</i> <0.001***
Industry FE		Yes	Yes				
Industry-year FE				Yes	Yes	Yes	Yes
State-year FE		Yes	Yes	Yes	Yes		
Firm FE						Yes	Yes
Observations		16,960	16,960	16,960	16,960	16,960	16,960
<i>R</i> -square		0.128	0.129	0.148	0.148	0.417	0.417

Table A3

Association between firms covered on fox news channel and full sample in 2000.

The table presents results of chi-square tests of the null hypothesis that there is no relation between the sample partitions and coverage on Fox News Channel in the year 2000. In column 1, firms that are covered on the Cavuto Business Report, Fox News Sunday, Special Report with Brit Hume, and The O'Reilly Factor in 2000 are tabulated, and, in column 2, firms that are not covered in those shows are tabulated. Firms appear in the *High_analyst_following* cell if they are in the top quartile of analyst following in the year 2000, and in the *No_high_analyst_following* cell otherwise. The chi-square test statistic measures the divergence of the observed data from the values that would be expected under the null hypothesis of no association, where the expected values for each cell [in brackets] in the two-way tables is equal to (row total*column total)/number of total observations. *p*-values (two tailed) are presented beneath the chi-square statistic within parenthesis. *, **, *** represent significance at the 10%, 5%, and 1% level, respectively.

	Covered on FNC	Not covered on FNC	
	(1)	(2)	
High_analyst_following	78 [26]	1,103 [1,155]	1,181
No_high_analyst_following	12 [64]	2,930 [2,878]	2,942
	90	4,033	4,123
Chi-square statistic			151.549*** (0.000)

Table A4

Cross-sectional tests on firm visibility using analysts following.

The table presents results on the relation between slanted media outlet availability and news suppression around the 2000 election. The dependent variable in all models is *Ncskew*, which is a firm's third moment of excess daily stock returns scaled by its cubed standard deviation times minus one. In columns 1 and 2, *FNC* is measured as the natural logarithm of the number of Fox News Channel subscriptions per congressional district, denoted *FNC_subscriptions*. In columns 3 and 4, *FNC* is an indicator equal to one if Fox News Channel was available in a particular congressional district, and zero otherwise, denoted *FNC_indicator*. The models are run separately for firms in the top quartile of analyst following (columns 1 and 3) and the bottom quartiles of analyst following (columns 2 and 4) analyst following. All models span the period 1998–2003. The results reported are from an OLS estimation and use the sample of firms as defined in Table 2. The models include main effects, double interactions, control variables (the same as in Table 4, i.e., *Log_mark_cap*, *Chg_sales*, *Sigma*, *Beta*, *Turnover*, *Lag_turnover*, *Return*, *Lag_return*, *Fortune_500*, *Log_analyst*), and state as well as industry-by-year fixed effects. Standard errors are clustered by state. *p*-values (two tailed) are displayed in parentheses below the coefficient estimates. *, **, *** represent significance at the 10%, 5%, and 1% level, respectively. Appendix A presents variable definitions.

Variables	Pred.	Analysts			Analysts		
		Top quartile	Bottom quartiles	Difference (1) – (2)	Top quartile	Bottom quartiles	Difference (3) – (4)
		FNC = FNC_subscriptions	FNC = FNC_subscriptions		FNC = FNC_indicator	FNC = FNC_indicator	
		(1)	(2)	(3)	(4)		
Election x FNC x Dem_firm	–	–0.061* (0.10)	–0.029 (0.31)	–0.032	–0.871* (0.07)	–0.386 (0.28)	–0.485*
Post_election x FNC x Dem_firm	+	0.084* (0.09)	0.025 (0.21)	0.059*	0.474* (0.10)	0.440 (0.12)	0.034
Test: (Post_election x FNC x Dem_firm) – (Election x FNC x Dem_firm) > 0		<i>p</i> =0.01***	<i>p</i> =0.01***		<i>p</i> =0.01***	<i>p</i> =0.01***	
Observations		4,050	12,910		4,050	12,910	
<i>R</i> -square		0.189	0.132		0.189	0.132	

Table A5**Information access versus slanted information – broadband internet access.**

The table presents results on the relation between broadband internet as well as slanted media outlet availability and news suppression around the 2000 election. The dependent variable in all models is *Ncskew*, which is a firm's third moment of excess daily stock returns scaled by its cubed standard deviation times minus one. *Internet* is measured as the natural logarithm of the number of broadband internet subscriptions per county. In columns 1 and 3, *FNC* is measured as the natural logarithm of the number of Fox News Channel subscriptions per congressional district, denoted *FNC_subscriptions*. In columns 2 and 4, *FNC* is an indicator equal to one if Fox News Channel was available in a particular congressional district, and zero otherwise, denoted *FNC_indicator*. All models span the period 1998–2003. The results reported are from an OLS estimation. The models include main effects, double interactions, control variables (the same as in Table 4, i.e., *Log_mark_cap*, *Chg_sales*, *Sigma*, *Beta*, *Turnover*, *Lag_turnover*, *Return*, *Lag_return*, *Fortune_500*, *Log_analyst*), and state as well as industry-by-year fixed effects. Standard errors are clustered by state. *p*-values (two tailed) are displayed in parentheses below the coefficient estimates. *, **, *** represent significance at the 10%, 5%, and 1% level, respectively. Appendix A presents variable definitions.

Variables	Pred.	FNC =	FNC =	FNC =	FNC =
		FNC_subscriptions	FNC_indicator	FNC_subscriptions	FNC_indicator
		(1)	(2)	(3)	(4)
		Ncskew	Ncskew	Ncskew	Ncskew
Dem_firm x Election x Internet		-0.610 (0.35)	-0.312 (0.31)	-0.426 (0.45)	-0.131 (0.67)
Post_election x Dem_firm x Internet		0.020 (0.97)	0.017 (0.96)	-0.220 (0.71)	-0.070 (0.85)
Election x FNC x Dem_firm	-			-0.029* (0.10)	-0.442* (0.10)
Post_election x FNC x Dem_firm	+			0.039** (0.03)	0.501* (0.07)
Test: (Post_election x FNC x Dem_firm) – (Election x FNC x Dem_firm) > 0				$p=<0.001$ ***	$p=<0.001$ ***
Observations		16,960	16,960	16,960	16,960
R-square		0.139	0.139	0.145	0.139