

The Influence of News Media on Optimism about Retrospective and Prospective Economic Issues as Sources of Social Capital: Tracing the Effects by a Path Model

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Abstract

This study helps understand media's conditional effects by investigating the role of mediating attitudinal factors in explaining the relationships between media, and civic attitudes and behaviors. This study attempts to understand the mechanism by which media influence how much optimism people have in perceiving economic issues, which accordingly could influence people's possession of social capital. Analyzing the 2004 ANES data by using the structural equation modeling approach, this study finds a path model that links news media to various dimensions of social capital through people's optimism about economic issues. The findings suggest that news media influence people's possession of social capital indirectly through influencing people's optimism about issues that are highly important and relevant to their lives.

Keywords: news media, optimism, social capital, economic news, civic engagement

Introduction

The fact that many U.S. citizens are apathetic about certain aspects of politics has long been conceived by many to be a problem in American democracy. It is argued that the decline of civic involvement and vibrancy is largely due to the decline of something commonly generated and possessed by citizens as a whole – social capital, which is viewed as the foundation of a healthy democracy. Social capital is a composite of various psychological and behavioral components, and has attributes at both the individual level and the societal level. Social capital, which is equivalent to “the level of civicness” (Portes, 1998, p. 18), manifests in such dimensions as civic engagement, political participation, social trust, and political trust, and appreciates connections, reciprocity and trustworthiness among citizens for the purpose of obtaining mutual benefits (Coleman, 1988; Putnam, 1995a; Putnam, 1995b). Social capital “has both a micro-individual level and a macro-community level component” (McLeod, 2001, p. 219; also see Portes, 1998).

Whether mass media encourage or discourage citizens' possession of social capital is a debatable issue. In the mediated society, mass media are viewed as the primary provider of reality for the majority of people who do not have direct experience of participating in most social and political processes. As a result, people's attitudes about social and political issues are largely influenced by how mass media communicate those issues. Accordingly, people's attitudes about the issues that are most important and relevant to them may influence their possession of social capital.

The majority of studies in this area assess the direct relationships between mass media and social capital without taking into account the effects of conditions. This study echoes researchers' call for the need to investigate conditional effects, an underexplored area in media effects research. McLeod and Reeves (1980) explained that the view of media's conditional effects acknowledges that media do not have direct, immediate and uniform impact on every audience member. They argued that this line of media research has been impeded by “a lack of uniformity and clarity as to the labels and meaning of the role of various third ‘conditional’ variables...affecting the relationship between exposure to media and effect of that exposure” (McLeod & Reeves, 1980, p. 19). McLeod and Reeves (1980) argued that intervening or mediating variables are a type of conditional variable that can take effect after exposure to media. Mediators “explain how external physical events take on internal psychological significance,” and deal with “how or why such effects occur” (Baron & Kenny, 1986, p. 1176).

Research has made efforts to understand what contributes to growth and decline of individual-level and societal-level social capital.

A group of studies focus on attitudinal factors – optimism or life satisfaction or well-being. Investigating attitudinal factors that may intervene in the relationships between mass media use and social capital can help understand media's conditional effects. Uslaner (1998) argued that attitudinal factors better account for production of social capital, and studies (e.g., Shah, 1998; Catterberg & Moreno, 2005) have confirmed that attitudinal factors do play an important role in production of social capital at the individual level. Thus, like existing studies (e.g., Brehm & Rahn, 1997; Shah, 1998; Uslaner, 1998; Glaeser, Laibson, & Sacerdote, 2002), this study also takes an individual-level approach to social capital. Instead of focusing on the direct influence of the amount, modality and content of media use on production of various dimensions of social capital (e.g., Putnam, 1995a; Shah, 1998; Newton, 1999; Lee, 2005), this study assesses the relationships between news media use and attitudinal factors in addressing possession of social capital.

This study reasons that people's attitudes about the issues that are most important and relevant to their self-interest and well-being such as economic issues as a result of news media consumption may influence their possession of social capital. That is, this study investigates how optimistically people view economic issues could mediate the relationship between their news media use and possession of social capital. This study aims to assess possible direct and indirect links among these critical components that serve as sources and consequences of social capital, and eventually come up with a model that explains these interconnected relationships. The implication of the research findings would help explain the effects of news media and optimism about economic issues on civic attitudes and behaviors.

Media Negativity Bias and Social Capital

Mass media's role in modern democracy is controversial. Researchers (e.g., Robinson, 1976; Patterson, 1993; Fallows, 1996; Just et al., 1996; Bennett, 2001; Patterson, 2002) argued that there is a growing tendency that news content puts more emphasis on critical, negative or mayhem aspects of news, such as more criticism of government, public officials and their policies, crime, crises, accidents, violence, disasters, threats, scandals, and the like. According to Lau (1982), the effect of negative information refers to the tendency that it is given more weight than is "equally extreme or equally likely positive information in various impression-formation or cognitive processing tasks" (p. 355; also see Lau, 1985). There is some evidence to support this tendency (e.g., Niven, 2001).

It is still controversial whether news media are responsible for citizens' civic apathy, distrust and estrangement. One group of studies asserted that mass media's emphasis on negative messages would lead to citizens' apathy towards civic activities. Some (Robinson, 1976; Newton, 1999) use "videomalaise" or "mediamalaise" to describe this phenomenon. Robinson's (1976) videomalaise thesis argued that television's emphasis on "negativistic, contentious, or anti-institutional bias" (p. 430) in conjunction with the inadvertent characteristic of the television audience result in the American public's distrust in and estrangement from social and political institutions and processes. Negative coverage in newspapers is found to produce similar effects (Miller, Goldenberg, & Erbring, 1979). However, there is also evidence that rejects the media negativity hypothesis (e.g., Leshner & McKean, 1997; Norris, 2000). Studies (Uslaner, 1998; Scheufele & Shah, 2000) found that media have minimal effects on dimensions of social capital.

News Media Use and Optimism about Economic Issues

Americans care very much about their jobs, income, future economic forecasts, and other economy relevant issues (Parker, 1997). Given this dominant concern, economic news has been receiving extensive media coverage for years. The media negativity bias can be found in economic coverage. One major criticism of news coverage of the economy is that it tends to focus more on bad news than good news (Wood, 1985; Fogarty, 2005; Goidel & Langley, 1995; Hester & Gibson, 2003) and misrepresent economic reality (Fogarty, 2005). Soroka (2006) also suggested that both mass media and the public are more responsive to negative economic information than positive one. Haller and Norpoth (1997) argued that journalists are inclined to negative economic news because they view bad economic times to be more newsworthy than good ones. Reese, Daly and Hardy (1987) argued that anecdotal economic coverage on TV news may lead people to overestimate the gravity of economic conditions. Research has predominantly suggested that media do influence people's attitudes about the economy, though studies have produced somewhat different findings. Studies (e.g., Pruitt, Reilly, & Hoffer, 1988; Mutz, 1992; MacKuen, Erikson, & Stimson, 1992; Hetherington, 1996; Goidel & Langley, 1995; Wu et al., 2002; Hester & Gibson, 2003) found that media, particularly the tone of news coverage, can influence how people think about the economy.

Hetherington (1996) found that in the 1992 presidential campaign, more mass media use is related to more negative perceptions of the national economy. Goidel and Langley (1995) found that negative economic news is related to the public's negative evaluations of the economy, even after controlling for the influence of real economic indicators. Wu and colleagues (2002) found that news coverage of economy and economic reality are generally consistent; but during bad economic times, people are more attentive to negative coverage and their perceptions of the economy are more likely to be influenced by negative coverage. On the contrary, Haller and Norpoth (1997) found that people's news media use doesn't play a great role in shaping their views of the economy, and concluded that media produce minimal effects.

The above research findings suggested that economic news delivered through mass media could influence the amount and the kind of economic information to which people are exposed, which in turn could influence people's attitudes about the economy. Given that economic issues are a dominant concern among Americans and have taken up a large portion of media coverage, people's attitudes about the economy should play a critical role in their life satisfaction or well-being, which refers to a construct called optimism. Uslaner (1998) argued that optimism is "a world view that reflects satisfaction with your personal life, your life circumstances (income and education), and more generally your value system" (p. 445). Optimism reflects people's values and life experiences as well as current situations and expectations for the future (Uslaner, 1998; Uslaner, 1999). Scheufele and Shah (2000) called optimism "life satisfaction," meaning "contentment with respect to present condition and future prospects" (p. 108). It can be seen from existing studies (e.g., Brehm & Rahn, 1997; Uslaner, 1998; Shah, 1998; Scheufele & Shah, 2000; Catterberg & Moreno, 2005) that optimism (or life satisfaction/well-being) is a general, multifaceted term and has been operationalized in many different ways. Among these operationalizations, economic concerns and satisfaction play an essential role. Moreover, optimism can be generated from people's objective well-being or subjective attitudes about their well-being. Inglehart (1999) argued that people's satisfaction with their life as a whole is one of the best indicators of people's subjective well-being. Based on the above discussion, this study argues that media's emphasis on negative news could make people view their personal finance and the nation's economy less optimistically. The following hypothesis is proposed:

H1: People who have more news media use will be less optimistic about economic issues.

Optimism and Social Capital

Research has suggested that optimism can influence the production and sustenance of social capital dimensions. According to Uslaner (2004), interpersonal trust roots in optimism and control at the individual level (also see Uslaner, 1998), and in economic equality at the aggregate level. Optimism and control refer to the mindset that "the world is a good place, it is going to get better, and I can help make it better" (Uslaner, 2004, p. 502). Deneen (1999) asserted that optimism comes from "tangible or assumed success in the world" (p. 581), and it involves faith. Thus, when people "believe that things are getting better and that they can control their environment," they are likely to have trust in others (Uslaner, 1999, p. 139). Barber (1983) also argued that "in its most general sense, trust means the expectations" (p. 9), and it "has something to do with fiduciary obligation and responsibility" (p. 7). A relevant concept is political efficacy. Political efficacy refers to people's subjective perception of their personal abilities to influence the political system (Reef & Knoke, 1999). Uslaner (1998) argued that it is people's optimism for the future that makes them more trusting, which then strongly influences their civic activism.

Researchers (Putnam, 1995a; Shah, 1998; Inglehart, 1999; Uslaner, 1998, 1999; Patterson, 1999; Catterberg & Moreno, 2005; Brehm & Rahn, 1997) have suggested that people's economic well-being and/or attitudes about it are strong predictors of social capital. Although his findings are inconsistent, Putnam (1995a) didn't completely discount the possibility that people's economic insecurity may be related to the decline of social capital. Uslaner (1999) suggested that optimism about or perceptions of economic security are closely related to interpersonal trust. Shah (1998) found that people who hold negative attitudes toward their current financial situations are less likely to participate in civic activities, and that people's life contentment is positively related to social trust and civic participation. Inglehart (1999) argued that economic security has a reciprocal causal relationship with interpersonal trust, meaning that richness can lead to trust, whereas poverty can lead to distrust, and vice versa. Operationalized well-being as self-reported financial satisfaction, Catterberg and Moreno (2005) found that it has a robust, significant positive effect on political trust. Similarly, Brehm and Rahn (1997) found that unemployment has a negative effect on social trust and inflation has a negative effect on confidence in government, whereas economic expectations and financial satisfaction have positive effects on confidence in government.

Scheufele and Shah (2000) found that life satisfaction is nondirectionally, positively correlated with social trust and civic engagement. Uslaner (1999, 1998) found that the order of the causal chain is from optimism to trust to civic participation, and the route from optimism to trust is stronger than the reverse route, though he suggested that these three components reinforce one another. Research generally found that social trust and civic participation are positively correlated either nondirectionally (Scheufele & Shah, 2000) or directionally (Putnam, 1995a; Shah, 1998; Brehm & Rahn, 1997). Social trust and political trust are positively related (Catterberg & Moreno, 2005). There's also evidence that political trust has a positive effect on civic participation (Brehm & Rahn, 1997).

Therefore, this study argues that people's optimism about economic issues would significantly influence their trust in others and government, and their efficacy of participating in political processes. It is predicted:

H2: People who have more optimism about economic issues will have more social trust.

H3: People who have more optimism about economic issues will have more political trust.

H4: People who have more optimism about economic issues will have more political efficacy.

In addition to the above hypotheses assessing direct effects, this study also proposes the following research question assessing indirect effects.

RQ: Will civic participation be influenced by news media use indirectly through optimism about economic issues, social trust, political trust, and political efficacy?

Method

Data Source

Data for this study come from the American National Election Study (ANES) survey data collected before and after the 2004 presidential election in the U.S. The pre-election survey contains a total of 1,212 interviews conducted between September 7 and November 1, 2004. In the post-election survey, 1,066 of the respondents in the pre-election survey were interviewed again between November 3 and December 20, 2004. All interviews were conducted face-to-face.

Measures

Exogenous variables. The age measure ranged from 17 to 90 years old ($M=47.58$, $SD=17.19$). Gender was coded with males as 1 and females as 0 (male=48%; female=52%). The education measure, which asked respondents to give their highest grade of school or year of college they have completed, ranged from 1 to 17 (median =14 [years of college]). The income measure contained 23 categories ranging from less than \$2,999 to \$120,000 and over (median=16 [\$45,000 - \$49,999]). Party ID was a nominal variable, which asked respondents whether they were strong or weak Democrat, Republican or Independent. This variable was coded with having party identification as 1 and having no party identification as 0 (yes=91%; no=9%). All these five observed variables became the five constructs in the analysis because each of them was consisted of only one observed variable.

National TV news use was constructed of exposure to national TV news and attention to the presidential campaign in national TV news. These two items used different metrics so the additive index was created based on their standardized version ($r=.84$). Local TV news use was constructed of two exposure items and one attention item: exposure to local TV news shows in the late afternoon or early evening, and in the late evening, and attention to the presidential campaign in local TV news shows. The two exposure items were weighted by $\frac{1}{2}$ to make exposure and attention have equivalent weight in the additive index. The metrics of the two exposure items were different from that of the attention item so the index was created based on their standardized version ($\alpha=.76$). Similarly, newspaper use was constructed of two exposure items and one attention item: the number of days in the past week reading daily newspaper and reading about the presidential campaign in newspaper, and attention to the campaign in newspaper. Again, the two exposure items were weighted by $\frac{1}{2}$ to make exposure and attention have equivalent weight in the additive index. These three items used different metrics so the index was created based on their standardized version ($\alpha=.85$). These three observed variables of news media use were significantly predicted by the same construct in the data analysis. Thus, there were totally six exogenous variables/constructs in the analysis. The four demographic variables and party identification were statistically controlled in each predicted relationship tested in the model to exclude extraneous confounding factors that may be detrimental to the internal validity of the research design.

Endogenous variables. The index of optimism about retrospective economic issues was created based on the four items asking respondents' attitudes about how they view their personal financial situations as well as national economy, unemployment, and inflation have become better, same or worse last year ($\alpha=.75$). The index of optimism about prospective economic issues was constructed of the four items asking respondents' attitudes about how they view their personal financial situations as well as national economy, unemployment, and inflation will become better, same or worse next year. This index was created based on the standardized version of these four items because they used different metrics ($\alpha=.64$).

The index of social trust was constructed of three items asking whether respondents think most people can be trusted, take advantage of them, and try to be helpful or not ($\alpha=.73$). The index of political trust was constructed of four items asking respondents how often they trust the government to do right; whether they think the government is run for the benefits of a few people or all the people; how much the government wastes tax money; and how much the government is run by crooked people. These four items used different metrics so the index was created based on their standardized version ($\alpha=.61$). The index of political efficacy was created by four items asking respondents whether or not they agree that public officials care what people think and that they have any say about what the government does; and how much they feel the government pays attention to what people think and elections make the government do this. These four items used different metrics so the additive index was created based on their standardized version ($\alpha=.72$).

Finally, the index of participation in presidential campaign activities was constructed of seven items asking whether respondents engaged in the following activities during the campaign: influencing how other people vote, attending campaign meetings, rallies and speeches, wearing campaign buttons, stickers and signs, doing anything for the parties or candidates, and making contribution to candidates, parties, or other groups ($\alpha=.62$). The index of participation in community activities was constructed of three items asking whether respondents work for solving community problems, contact public officials to express views on public issues, and attend meetings about community issues ($\alpha=.67$). In the data analysis, these two observed variables were significantly predicted by the same construct called civic participation. Thus, there were totally six endogenous variables/constructs in the data analysis.

Data Analysis

Structural equation modeling (SEM) using the software LISREL version 8.7 was used to analyze the data¹. SEM could help simultaneously detect all possible paths linking variables with either direct relationships or indirect relationships mediated by variables in-between.

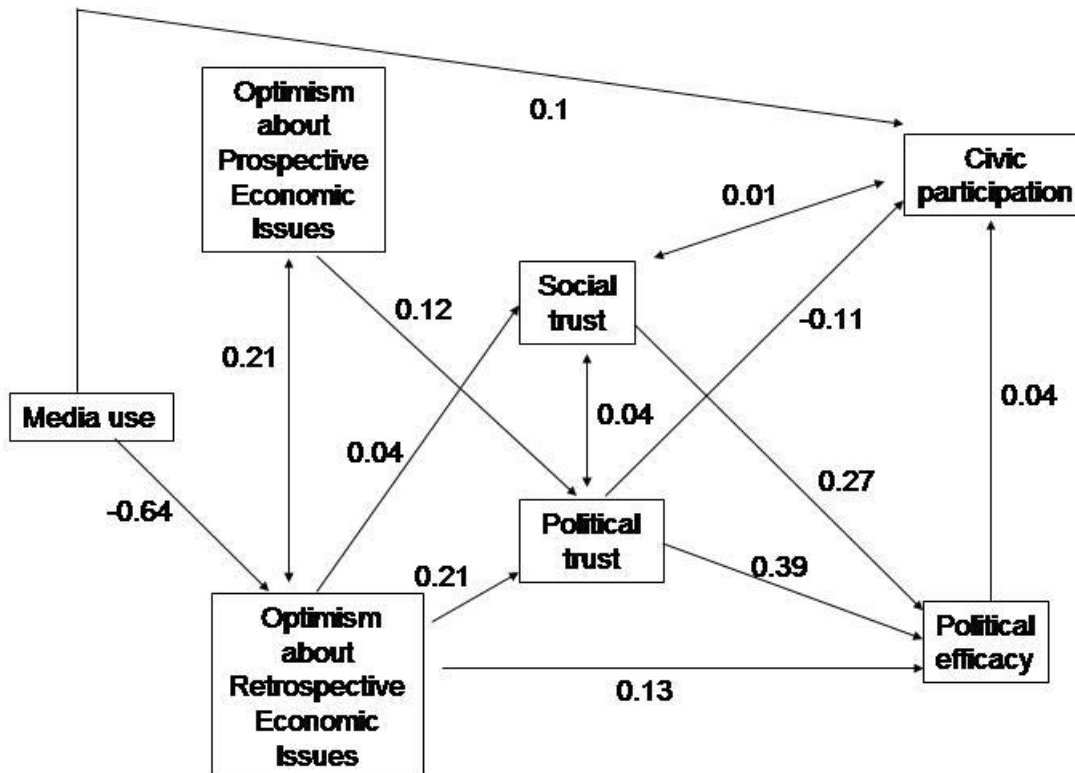
¹The income variable and the eight items that constructed the two indexes of optimism about retrospective and prospective economic issues had relatively more missing values compared with other variables in the original data set. Thus, the missing values of the items that constructed income as well as optimism about economic issues were imputed before creating the indexes. The imputation procedures were guided by the methods discussed in the literature (e.g., Brick & Kalton, 1996; Kennedy, 1992). The missing values in the original income variable were substituted for the values generated from regression imputation of income. In order to find a best regression model to impute the missing values in income, all possible models were tested based on all possible combination of the five predictors -- age, gender, education, party ID, and job prestige. The final model was chosen based on two criteria. First, all the predictors in the model should have statistically significant relationships with income; and second, the model has large R-square. The final regression model consisted of four predictors, including gender, education, Republican Party identification, and job prestige ($R^2 = .24$). The missing values in the original eight items regarding optimism about retrospective and prospective economic issues were substituted for the values generated from general log linear imputation of the eight items. The missing values of each item were imputed based on the other two items. These two items were chosen based on two criteria. First, they were conceptually related to the item to be imputed; and second, they had relatively fewer missing values. Then, for each item, seven models except the saturated model were tested. Likelihood Ratio, Pearson Chi-square statistics and the associated p-values of each model regarding each item were examined. After the models across all the eight items were examined, it was decided that the same model -- all two-way interaction models -- was used for imputing the missing values of all the eight items. All two-way interaction models were used not only because they were consistent and easier for interpreting the results across the eight items but also because they had relatively smaller Likelihood Ratio and Pearson Chi-square statistics, and large p-values. Comparison between data before and after missing values imputation shows that the imputation procedures clearly increased the number of cases available in the SEM analysis without significant changes to the measures of central tendency or variance of the items. The final sample size used in the SEM analysis was 1030.

In SEM models, any link between two variables indicates the relationship between them while simultaneously controlling for all other variables and relationships in the model. While in SEM models exogenous variables can be treated as independent variables only, endogenous variables can be treated as both independent and dependent variables. This study followed the model generating approach (Byrne, 1998; Jöreskog & Sörbom, 1993; Jöreskog, 1993) to test the proposed conceptual relationships. The final best fitting model of this study was generated by testing several potential statistical models based on the proposed theory-guided conceptual relationships, in view of the information of t-statistic test of slope coefficients, modification indices, expected change, and goodness-of-fit statistics².

Results

For the final model, the chi-square statistics (df=42) was 43.11, p-value=0.42, and Root Mean Square Error of Approximation (RMSEA) was 0.005. The Goodness of Fit Index (GFI) was 0.99, and the Adjusted Goodness of Fit Index (AGFI) was 0.98. All these goodness of fit statistics indicated that the final model fits the data very well. Figure 1 presents the final model of all the conceptual relationships tested. As shown in Figure 1, most hypothesized relationships were statistically significant, with some exceptions. This means that the proposed model was strongly supported by the data. The zero-order correlations among all the observed variables are presented in Table 1, and the effects of the control variables on the endogenous variables are presented in Table 2.

Figure 1. Conceptual model of major constructs (controlling for all demographic variables and party ID)



²The model identification problem was checked before the parameter estimation was conducted. All the SEM models tested in the study should be identified because they were recursive models and the number of parameters to be estimated is less than the number of the total input information (see Byrne, 1998; Schumacker & Lomax, 2004).

Table 1. Zero-order correlations among observed variables

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Campaign activity participation	1														
2. Community activity participation	.366**	1													
3. Political efficacy	.118**	.064*	1												
4. Social trust	.130**	.143**	.282**	1											
5. Political trust	-.031	-.089**	.433**	.196**	1										
6. Optimism about prospective economic issues	-.007	-.062*	.181**	-.013	.225**	1									
7. Optimism about retrospective economic issues	.020	-.030	.303**	.134**	.298**	.412**	1								
8. National TV news use	.190**	.098**	.038	.087**	-.047	-.044	-.090**	1							
9. Local TV news use	.003	.017	-.047	-.025	-.014	-.014	-.171**	.535**	1						
10. Newspaper use	.255**	.178**	.165**	.206**	-.017	-.054	-.013	.269**	.146**	1					
11. Age	.051	.042	.012	.233**	-.011	-.133**	-.046	.271**	.223**	.222**	1				
12. Gender	.014	-.018	.075*	-.028	.000	.042	.146**	.017	-.081**	.088**	-.035	1			
13. Education	.187**	.281**	.207**	.266**	.007	.003	.132**	.059	-.108**	.227**	.114**	.006	1		
14. Income	.185**	.204**	.196**	.242**	.041	.041	.262**	.054	-.089**	.199**	.005	.139**	.447**	1	
15. Party ID	.122**	.050	.124**	.081**	.058	.088**	.053	.108**	.074*	.074*	-.015	-.052	.134**	.116**	1

*p<.05 **p<.01 *** p<.001

Table 2. Effects of Exogenous Variables (Control Variables)

	Age	Gender	Education	Income	Party ID
Civic participation	---	---	0.02***	0.01***	---
	0.00	0.00	0.00*	0.00	0.00
	0.00	0.00	0.02***	0.01***	0.00
Political efficacy	---	0.07 [~]	0.05***	---	0.17*
	0.00***	0.04***	0.01***	0.01***	0.01*
	0.00***	0.11**	0.06***	0.01***	0.18**
Social trust	0.01***	---	0.04***	0.01***	---
	0.00 [~]	0.01*	---	0.00*	---
	0.01***	0.01*	0.04***	0.01***	---
Political trust	---	---	---	---	---
	0.00	0.04***	---	0.01***	0.02*
	0.00	0.04***	---	0.01***	0.02*
Optimism about prospective economic issues	-0.01***	---	---	---	0.17*
	---	---	---	---	---
	-0.01***	---	---	---	0.17*
Optimism about retrospective economic issues	0.01**	0.17***	---	0.03***	---
	---	---	---	---	---
	0.01**	0.17***	---	0.03***	---

Note. Gamma coefficients of direct effects are in the first row, indirect effects are in the second row, and total effects are in the third row.

~p<.10 *p<.05 **p<.01 ***p<.001

Direct Effects

As shown in Table 3, H1 was partially supported. People who had more news media use were less optimistic about retrospective economic issues ($\gamma=-0.64$). Although the relationship between news media use and optimism about prospective economic issues was not statistically significant, it was in the hypothesized negative direction. H2 was also partially supported. People who had more optimism about retrospective economic issues had more social trust ($\beta =0.04$). H3 was supported. People who had more optimism about retrospective ($\beta =0.21$) and prospective ($\beta =0.12$) economic issues had more political trust. Finally, H4 was partially supported. People who had more optimism about retrospective economic issues had more political efficacy ($\beta =0.13$).

Table 3. Effects of News Media Use and Endogenous Variables

	News media use	1	2	3	4	5	6
1. Civic participation	0.10** 0.01 0.11**	---	0.04**	---	-0.11* 0.02* -0.09*	---	---
2. Political efficacy	---	---	---	0.27***	0.39***	---	0.13***
	-0.14*** -0.14***	---	---	---	---	0.05*** 0.05***	0.09*** 0.22***
3. Social trust	---	0.01** (psi)	---	---	---	---	0.04**
	-0.03* -0.03*	---	---	---	---	---	---
4. Political trust	---	0.03 (psi)	---	0.04*** (psi)	---	0.12***	0.21***
	-0.13*** -0.13***	---	---	---	---	0.12***	0.21***
5. Optimism about prospective economic issues	---	---	---	---	---	---	---
6. Optimism about retrospective economic issues	-0.64***	---	---	---	---	0.21*** (psi)	---
	---	---	---	---	---	---	---
	-0.64***	---	---	---	---	---	---

Note. Gamma or Beta coefficients of direct effects are in the first row, indirect effects are in the second row, and total effects are in the third row. Non-directional psi-coefficients of the relationships between some variables are also presented in the direct effect row.

~p<.10 *p<.05 **p<.01 ***p<.001

Indirect Effects

Regarding the research question, Figure 1 and Table 3 show that there were four indirect routes from media use to civic participation. The first route was from news media use, optimism about retrospective economic issues, social trust, and political efficacy to civic participation (indirect effect = -0.0003). The second route was from news media use, optimism about retrospective economic issues, political trust, and political efficacy to civic participation (indirect effect = -0.0021). The third route was from news media use, optimism about retrospective economic issues, and political trust to civic participation (indirect effect = 0.0148). The fourth route was from news media use, optimism about retrospective economic issues, and political efficacy to civic participation (indirect effect = -0.0033)³.

Discussion

This study helps understand media’s conditional effects by demonstrating that the mediating attitudinal factor, i.e., optimism about economic issues, plays an important role in influencing the relationships between news media, and civic attitudes and behaviors.

³This study also tested the associations between all relevant constructs, and found some non-directional relationships among endogenous variables. Figure 1 and Table 3 show that optimism about retrospective and prospective economic issues were positively associated ($\psi=0.21$). Social trust and political trust were positively associated ($\psi=0.04$). Social trust and civic participation were positively associated ($\psi=0.01$). These findings provide additional evidence for the research question.

Instead of assessing the direct influence of news media use on social capital, this study identified a path model that traces possible routes from news media use to civic participation with essential intervening, attitudinal factors in-between. The findings suggest that news media coverage might contribute to factors implicating social capital. More importantly, this study highlights the mediating roles of economic optimism between news media use and social capital. News media could help revive civic life by changing people's attitudes about the social and national issues that are most important and relevant to their well-being.

According to the four indirect routes identified in the model, people's optimism about economic issues intervened in the relationships between news media use and various dimensions of social capital. Consistent with previous research, the results suggest that people's attitudes about their economic well-being, which are influenced by news media use, do play an important role in their possession of social capital, especially the psychological components. Moreover, the model generally supports the causal order suggested by Uslaner (1999, 1998), which is from optimism to trust to civic participation. Having optimism, confidence in the self, trust in others and the whole democratic system are important determinants of civic participation because they closely correlated with citizens' willingness to play a role in the democratic process and to accept collective decisions. Although the final stage – civic participation – is the most sought-after component in democracy, the path model suggests that the final stage won't arrive without the availability of those attitudinal and psychological antecedents.

In addition to the four indirect routes, a direct route from news media to civic participation was also found in the model. This suggests that media had both direct and indirect effects on people's possession of social capital. This positive direct effect was relatively small compared to the negative effect of media use on optimism about economic issues, which in turn had positive effects on social trust, political trust and political efficacy. Thus, instead of arguing whether this model supports or rejects the media negativity bias, these findings further demonstrate the importance of investigating potential mediating factors that would influence the relationships between news media and social capital.

The mediating effect of optimism was found in retrospective economic issues, but not found in prospective economic issues, though these two constructs were positively correlated with each other. Although the relationship between news media use and optimism about prospective economic issues was in the hypothesized negative direction, it was not statistically significant and this construct seemed to be correlated less well with other constructs in the model. In assessing the relationship between economic evaluations and vote choice, Nadeau and Lewis-Beck (2001) found that in the case of a popularly elected president running for reelection, voters rely on retrospective economic performance, whereas in the case of nonelected, nonincumbent candidates, voters rely on prospective economic performance. That the incumbent president George W. Bush ran for the reelection in the 2004 campaign may somewhat explain why in this study optimism about prospective economic issues didn't play a significant role in the model.

The model identified in this study indicates that the psychological dimensions and the behavioral dimension of social capital were associated with each other, and the direction was generally from the psychological dimensions to the behavioral dimension. Whether trust or distrust could promote civic participation is a debatable issue in political communication. However, it should be noted that distrust is not inherently bad. Reasonable distrust or healthy skepticism is important for a well-functioning democratic system because it can make citizens oversee those who make decisions for them (Hart, 1978; Barber, 1983; Warren, 1999). Finally, in the model, political efficacy intervened in the relationships between social trust and civic participation as well as between political trust and civic participation. This finding confirms the proposition that people's perceived efficacy in politics is generally thought to be an immediate antecedent of participation in civic activities.

This study used people's attitudes about economic issues to assess the level of optimism about their economic well-being. The construct of optimism in social capital research have been operationalized in many different ways. Future research could continue to investigate important indicators that can significantly explain people's optimism, and develop a better and consistent measure of optimism. In conclusion, the findings of the study suggest that people's optimism about their economic well-being, which is greatly influenced by their news media consumption, could strengthen or weaken their psychological and behavioral assets desired in democracy. Given that in this mediated society people largely rely on mass media for information regarding social and national issues, these findings confirm that media's role in democracy should never be underrated.

More importantly, this study suggests a different route to engage citizens in political processes -- efforts and resources invested in revigorating civic life should be focused on changing people's attitudes about or more precisely, enhancing people's optimism about major social and national issues.

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