

# USE OF BUSINESS AND ECONOMIC NEWS STUDY

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Donald W. Reynolds National Center  
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Prepared by

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## INTRODUCTION

This report was commissioned by the Donald W. Reynolds National Center for Business Journalism and conducted by Behavior Research Center (BRC). The purpose of the study was to measure the use of business and economic news by young adults between 18 and 25 years of age.

The information contained in this report is based on 400 in-depth interviews with young adults between 18 and 25 years of age throughout the United States. Interviewing was conducted between April 22 and May 10, 2009, by professional interviewers at BRC's state-of-the-art Computer-Assisted Telephone Interviewing (CATI) facility in Phoenix. Interviewing was conducted under the direct supervision of BRC supervisory personnel, who randomly monitor interviews as they are conducted and who validate completed interviews. Prior to beginning the interviews, all interviewers were trained in all aspects of this job, including protocols for open-ended questions and sampling techniques. Because this demographic group is known to have a higher rate of wireless-only telephone usage than the general population, BRC employed a combination of hard-wired phones and cell phones for this study. All cell phone calls were conducted on weekends and cell phone respondents were screened to ensure they were not driving or in other ways distracted while taking the survey. Cell phone interviews represent 35 percent of the completed surveys in this study.

When reviewing the results from this survey, it should be kept in mind that all surveys are subject to sampling error. Sampling error, simply stated, is the difference between the results obtained from a sample and those that would be obtained by surveying the entire universe under consideration. The overall sampling error for this survey is approximately +/-5.0 percent at a 95 percent confidence interval.

Behavior Research Center has presented all of the data germane to the basic research purposes of this project. However, if Donald W. Reynolds Center management requires additional data retrieval or interpretation, we stand ready to provide such input.

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## STUDY FINDINGS

### EFFECT OF THE ECONOMY ON PERCEPTION OF THEIR FUTURE

To six in ten (59%) young adults in this survey, the current economy has changed the way they foresee their own future in terms of lifestyle and career, an extremely pessimistic finding.

TABLE 1

*“To begin, has the current economy changed the way you foresee your own future in terms of lifestyle and career?”*

	% Yes
Total	59%
<u>GENDER</u>	
Male	57
Female	61
<u>REGION</u>	
Northeast	66
South	55
Midwest	56
West	62
<u>AGE</u>	
18 to 22	57
23 to 25	61
<u>STATUS</u>	
Employed full-time	61
Full-time student	52

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## CONCERNS CAUSED BY THE CURRENT ECONOMY

We asked respondents about nine different concerns they might have because of current economic conditions, and all are concerns to three-fourths or more. The size of the national debt as it impacts their generation is of concern to nine in ten (89%).

TABLE 2

*“As you might imagine, young people like you tell us the current state of the economy concerns them in a number of ways. As I read some of them, please tell me whether it is a major concern, a minor concern or not a concern to you.” (READ EACH; ROTATE SEQUENCE)*

|                                                               | Major<br>Concern | Minor<br>Concern | Not a<br>Concern | Not<br>Sure | <b>TOTAL<br/>CONCERN</b> |
|---------------------------------------------------------------|------------------|------------------|------------------|-------------|--------------------------|
| The size of the national debt as it impacts your generation   | 57%              | 32%              | 10%              | 1%          | <b>89%</b>               |
| Ability to find a job                                         | 59               | 22               | 19               | *           | <b>81</b>                |
| Your own future retirement                                    | 51               | 30               | 18               | 1           | <b>81</b>                |
| Ability to find a home I can afford                           | 48               | 33               | 19               | *           | <b>81</b>                |
| Ability to afford the necessities                             | 42               | 39               | 18               | 1           | <b>81</b>                |
| The future of U.S. independence in view of the global economy | 46               | 32               | 19               | 3           | <b>78</b>                |
| Your parents' current financial situation                     | 43               | 35               | 20               | 2           | <b>78</b>                |
| Ability to pay for college                                    | 50               | 26               | 23               | 1           | <b>76</b>                |
| Your parents' retirement plans                                | 44               | 31               | 23               | 2           | <b>75</b>                |

\*Indicates less than ½ of one percent

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## RECENT DECISIONS BASED ON NEWS OF THE ECONOMY

Almost half (45%) report they have made decisions in the last year based on news they received about the economy. Young women, those between 23 and 25 and those employed full-time are most likely to have made such decisions.

TABLE 3

*“Have you, personally, made any decisions in the last year or so based on news you received about the economy?”*

	<u>% Yes</u>
Total	45%
<u>GENDER</u>	
Male	42
Female	49
<u>REGION</u>	
Northeast	40
South	55
Midwest	41
West	42
<u>AGE</u>	
18 to 22	41
23 to 25	54
<u>STATUS</u>	
Employed full-time	53
Full-time student	41

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As may be seen in Table 4, respondents who have made decisions based on the economy mention a wide variety of decisions they have made. In general, they report spending less, using less credit and making themselves more marketable.

TABLE 4

(IF YES IN Q3, ASK:) *“What were some of those decisions?: (PRE-CODE, RECORD ALL MENTIONS)*

N = 180

|                                         |     |
|-----------------------------------------|-----|
| Cut down purchases/buy less             | 29% |
| Save more, spend less                   | 20  |
| Put off going to college                | 18  |
| Got a job                               | 17  |
| Cut down credit card use                | 13  |
| Stopped eating out so much              | 11  |
| Moved to cheaper housing/got a roommate | 9   |
| Put off getting married                 | 7   |
| Put off having children                 | 6   |
| Dropped out of college                  | 5   |
| Put off buying a home                   | 5   |
| Put off buying a car                    | 4   |
| Got a student loan                      | 4   |
| Changed investment strategy             | 3   |
| Found a better job                      | 3   |
| Went back to college                    | 3   |
| Changed to more marketable major        | 3   |
| Limited travel                          | 2   |
| Staying with current job                | 2   |
| Moved in with parents                   | 1   |
| Joined the military                     | 1   |
| Voting Republican                       | 1   |

Total exceeds 100% due to multiple responses

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## MEDIA USED FOR ECONOMIC NEWS

The Internet, television and word of mouth are the media most relied on for economic news. By comparison, books and financial magazines are used infrequently.

TABLE 5

*“Next, I’m going to read you some types of media that people have told us they rely on for news about the economy and money issues. For each, please tell me whether you use it a lot, some, only a little or not at all.” (READ EACH; ROTATE SEQUENCE)*

	A Lot	Some	Only a Little	Not at All	Not Sure
Internet	61%	12%	15%	12%	0%
Television	47	22	17	14	0
Advice of friends/family	44	26	21	9	0
Newspapers	30	24	30	16	0
Radio	30	23	28	19	0
Books	13	17	26	44	0
Financial magazines	5	9	18	67	1

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Next, we asked respondents which type of media they most *trust* to give them accurate economic information. The Internet (27%), television (26%) and newspapers (19%) lead the list. Five percent state flatly that they do not trust any of them.

TABLE 6

*“Which general news sources, by which I mean magazines, newspapers, television, radio and the Internet, do you trust most to give you accurate information on the economy and money?” (CHECK FIRST MENTION ONLY)*

|                                |          |
|--------------------------------|----------|
| Internet                       | 27%      |
| Television                     | 26       |
| Newspapers                     | 19       |
| Radio                          | 10       |
| Magazines                      | 4        |
| Other                          | 7        |
| None – don’t trust any of them | 5        |
| Not sure                       | <u>2</u> |
|                                | 100%     |

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Following this line of inquiry, we then asked respondents which *specific news source* they trust most to give them accurate economic information. CNN (20%) and Fox News (12%) top the list, followed by the Internet (9%). Beyond that, there appears to be little consensus, with various newspapers, networks and Internet sites mentioned by limited numbers of respondents.

TABLE 7

*“And what specific news sources, by which I mean which TV network, Internet web site and so forth, do you trust most to give you accurate information on the economy and money?” (RECORD ALL MENTIONS)*

CNN	20%
Fox News	12
Internet	9
NPR	5
ABC	5
Yahoo	4
NBC	3
New York Times	3
MSN.com	3
CBS	2
MSNBC	2
Wall Street Journal	2
Google	2
PBS	1
Forbes	1
BBC	1
CNBC	1
The Economist	1
Time Magazine	1
Washington Post	1
Newspapers – no detail	7
TV – no detail	6
Radio – no detail	2
Magazines – no detail	2
Other	8
None – don’t trust any	12
Not sure	7

Total exceeds 100% due to multiple responses

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## USE OF ONLINE FINANCIAL RESEARCH TOOLS

Almost one-fourth (23%) use online financial research tools to help them make decisions or track personal finances. Use of such tools is somewhat more common in the west than in other parts of the country.

TABLE 8

*“Do you use any online financial research tools to make decisions or track personal finances?”*

|                    | <u>% Yes</u> |
|--------------------|--------------|
| Total              | 23%          |
| <u>GENDER</u>      |              |
| Male               | 24           |
| Female             | 22           |
| <u>REGION</u>      |              |
| Northeast          | 23           |
| South              | 18           |
| Midwest            | 24           |
| West               | 30           |
| <u>AGE</u>         |              |
| 18 to 22           | 24           |
| 23 to 25           | 23           |
| <u>STATUS</u>      |              |
| Employed full-time | 24           |
| Full-time student  | 26           |

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Bank web sites are the most commonly-used online financial tools. Just ten percent of those who use online tools use Quicken or MS Money.

TABLE 9

(IF YES IN Q7, ASK:) "What programs or web sites do you use? (RECORD ALL MENTIONS)

N = 92

<u>Bank Web Sites (NET)</u>	<u>(43%)</u>
Banks – no detail	23
Bank of America	7
Chase	4
Wells Fargo	2
Wachovia	2
Discover Card	2
Other banks	2
<u>Home Pages (NET)</u>	<u>(18%)</u>
Google	6
Yahoo	6
MSN	2
Others	5
<u>Financial/Investment Sites (NET)</u>	<u>(16%)</u>
Fidelity	3
Insurance company sites	5
Others	8
News sites	13
Quicken	5
MS Money	5
Not sure	5

Total exceeds 100% due to multiple responses

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## USE OF SOCIAL NETWORKING SITES FOR FINANCIAL ISSUES

Two in ten (19%) report discussing financial issues or the economy in general on social networking sites such as Facebook or My Space. Young women are over twice as likely to engage in such online discussions as are young men.

TABLE 10

*“Do you discuss financial issues or the economy on Facebook, My Space, Twitter or other social networking sites?”*

|                    | <u>% Yes</u> |
|--------------------|--------------|
| Total              | 19%          |
| <u>GENDER</u>      |              |
| Male               | 12           |
| Female             | 26           |
| <u>REGION</u>      |              |
| Northeast          | 22           |
| South              | 18           |
| Midwest            | 16           |
| West               | 24           |
| <u>AGE</u>         |              |
| 18 to 22           | 17           |
| 23 to 25           | 21           |
| <u>STATUS</u>      |              |
| Employed full-time | 19           |
| Full-time student  | 19           |

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Facebook (54%) and My Space (40%) are the most commonly-used social networking sites, with Twitter at seven percent.

TABLE 11

(IF YES IN Q8, ASK:) “Which social networking sites do you use most?” (PRE-CODE; RECORD ALL MENTIONS)

N = 76

Facebook	54%
My Space	40
Twitter	7
Jigsaw	2
Windows/Live Spaces	1
Other	7

Total exceeds 100% due to multiple responses

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One-fourth (25%) report spending 40 percent or more of the time they spend on social networking sites focused on economic issues.

TABLE 12

(IF YES IN Q8, ASK:) *“About what percentage of the time you spend on these sites is focused on the economy or money issues?”*

N = 76

|                      |           |
|----------------------|-----------|
| None/not sure        | 10%       |
| Five or less percent | 21        |
| 6 to 10 percent      | 13        |
| 11 to 39 percent     | 31        |
| 40 percent or more   | <u>25</u> |
|                      | 100%      |

Total exceeds 100% due to multiple responses

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