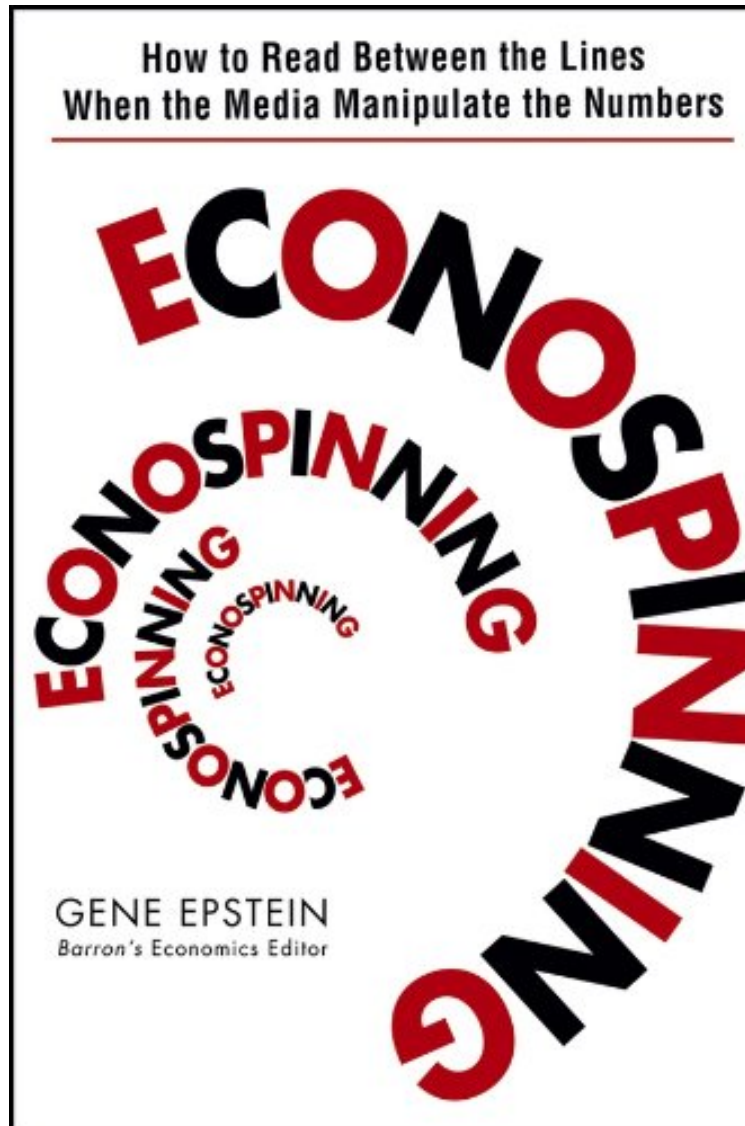


(Download pdf) Econospinning: How to Read Between the Lines When the Media Manipulate the Numbers

Econospinning: How to Read Between the Lines When the Media Manipulate the Numbers

Gene Epstein

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Gene Epstein : Econospinning: How to Read Between the Lines When the Media Manipulate the Numbers

before purchasing it in order to gauge whether or not it would be worth my time, and all praised Econospinning: How to Read Between the Lines When the Media Manipulate the Numbers:

0 of 0 people found the following review helpful. Numbers can tell different stories By Abdelhamid S. Abdou A great guide to political spinning using economic indicators. The book goes over the use of a number of economic statistics such as employment numbers, poverty and health care coverage and provides the real meaning of these numbers vs.

the political spinning. 2 of 2 people found the following review helpful. Important, useful book but bad title page
By Charles Bradley
The author contends much of the economic news we get is wrong. Some of it is intentionally wrong, provided by politicians or partisans, and hence the title. Some of it is manufactured news, turning a statistically insignificant change into a headline, and some is just wrong. People make mistakes. This is an important and useful book. I wish everyone would read it. The examples are from USA, but similar things probably happen everywhere. The book is not partisan. Errors that favor Democrats and errors that favor Republicans are both covered. There are various other examples that are not political. If you consider this book, you might also try "On the Accuracy of Economic Observations" by Oskar Morgenstern, who is most well known for his work with John von Neumann on "The Theory of Games and Economic Behavior." It is much drier, but more thorough; the examples are far from current, but most of the underlying problems probably still exist. The biggest problem with this book is the inaccuracy of the title page. Most readers construe "spinning" as self-serving versions of reality. There is some of that. Paul Krugman gets a lot of attention, but most of it is deserved. Some other statements, by Krugman and others, are in areas that seem grayer than Epstein believes. Some of his examples are of manufactured news, typically a released statistic showing a tiny change, with error bounds much larger than the change, becomes a news story treating the statistic as real, and accurate. Some seem to be just errors. Humans make mistakes. The subtitle is a bigger problem. Epstein does not tell us "How to Read Between the Lines When the Media Manipulate the Numbers." My suggestion to the media: report all the data, including pointers to the raw data and the methods used to gather it. Let the readers decide how to interpret it. My suggestion to the public: Be skeptical. Ask for details. Read the analysis provided by those you tend to disagree with. In spite of the flaws, I still recommend the book. You can learn how big the gulf of possible error is. But remember the gulf is probably much larger than this one book reveals. 10 of 12 people found the following review helpful. Important Scrutiny of the Mass Media But Adds to Reader Uncertainty
By David Weinstein
I am an average reader to economists: never took a course in the subject, have read and heard statistics quoted and interpreted in the mass media. I appreciate the correction in this book of errors in the mass media. I shall look upon the writers and publications scrutinized by this book with stronger analysis now. But I wish the author of this book had enjoyed the privilege of a better editor. One disappointment about this book is that it itself commits errors. In the name of identifying journalist errors, it commits author errors. They are of the sort a non-economist editor would notice. They may not always affect the author's thesis or argument but they make the thesis and argument less accessible to the public. (Page number references are from the year 2005, hardcover edition.) One type of error is carelessness. In a somewhat unimportant error, Epstein says that unincorporated self-employment is the only category that the Household Jobs Survey includes and that the Establishment Survey omits (33). Epstein himself was pointing out three paragraphs earlier, though, that agricultural occupations -- farming, forestry, fishing, and hunting -- are overlooked by the Establishment Survey while included in the Household Survey. Even though the growth of agricultural occupations was flat over recent years, to say later that only unincorporated self-employment is tracked by the Household Survey and omitted by the Establishment Survey is to speak too loosely for the average reader to follow. Epstein complicates acceptance of his views by committing errors of inconsistency. First, he points out that unemployment duration is longer now than in earlier decades because women have come to participate in the work force in more serious career positions and look for work more carefully after they leave their job. The work force is older and older workers are also more careful about what position they accept. (46) Later, he says that Bureau of Labor Statistics economists adjust for the 1994 redesign of the Household Survey and find that unemployment duration was longer in 1990 than in 2000, and 2000 durations were not longer than in 1980. (48) What makes this inconsistency even bigger is that he just went through a long analogy to cancer, to explain a job situation in which unemployment durations are longer. He said there are more cancer cases nowadays only because more people live longer, comparing people who live longer to women and older people who look for work more carefully. Environmental and dietary factors are not to blame for more cancer cases, just as the job market is not to blame for longer durations of unemployment. (45-46) So, there must be longer durations of unemployment in recent years --- or have there not been? Epstein's wording is also misleading sometimes --- not saying what he intends to say. The Bureau of Labor Statistics revised their definition of Hidden Unemployed in 1994 by adding two new qualifications to the old ones ("also had to answer yes to these two questions", p. 63). One of those old qualifications was giving a job market reason for not looking for a job during the past month. But after he describes the two new qualifications, he says most of those who meet them "gave reasons other than discouragement for not having looked for work over the past month". But that reason was required under the old design; it is still required to be included in the Hidden Unemployed category. It takes a lot of thinking about it, puzzling, to figure out that those two new qualifications for Hidden Unemployment really aren't in addition to the old ones but are part of a different combination of qualifications to be fit in that category. Also misleading is Epstein's use of "discouragement". Discouragement means more than some type of reason for not looking for work. Although in normal conversation, discouragement is a term that could describe an attitude about the job market, in this discussion the term has a larger meaning. Discouragement is a BLS category of responses to a lot of questions. It means all of the qualifications that the BLS looks for in fitting an individual into this category. Confusion results from using the same term in the same discussion, without note, in different ways. He says that most of those who "also had to answer yes"

to the two new questions gave reasons other discouragement for not looking for a job. His decision to use the word "discouragement" for giving other than a job market reason throws the passage into chaos. We are to think that even though they are not "discouraged", they are Discouraged Workers. These four writing style errors were found by reading three chapters. Imagine how much difficulty and error results from reading the whole book! It is very entangled writing, and makes for much re-reading, not say dizziness. Just as the mass media's often brief treatment of the economy makes their audience unsure what to think without further reflection, Gene Epstein's unclear and inconsistent presentation keeps his readers unsure what to think, too. If this is supposed to be a book so the average person can make sense of mass media coverage, it should be more accessible to the public.

Gene Epstein knows a thing or two about economic data. Before becoming the Economics Editor for Barron's in 1993, he was a senior economist at the New York Stock Exchange. Now in *Econospinning*, Epstein supplies readers with a book that attempts to cut through the veil of economic misinformation commonly reported in today's media. Assuming no prior knowledge on the readers part, each chapter of *Econospinning* is structured around fairly simple propositions about the economy or about specific economic data; from tracking employment numbers to measuring corporate profitability; that are then contrasted with the distortions of today's media coverage. Along the way, Epstein exposes bad reporting by the elite media, including *The Wall Street Journal*, *The Financial Times*, *The New York Review of Books*, *The New Yorker*, *The Economist*; and especially by *The New York Times* and its economics columnist Paul Krugman, Epstein also deconstructs CNN newscaster Lou Dobbs's coverage of outsourcing and globalization; the illusory connection between abortion and lower crime rates, and bad theories about the role of real estate brokers, featured in the bestseller *Freakonomics*; the treatment of the working class portrayed in Barbara Ehrenreich's *Nickel and Dimed*; and the sensationalized coverage of the employment report by CNBC's "Squawk Box." From the disputes over Social Security to misinterpretations of the unemployment rate, *Econospinning* points out the unfortunate lack of integrity that pervades mainstream economic reporting. Gene Epstein (New York, NY) has been Barron's Economics Editor since 1993 and writes the column, "Economic Beat." A frequent speaker on the conference circuit, Epstein has been interviewed on CNBC, CNN, NJN Public TV, and BBC TV. He holds an MA in economics from the New School and a BA from Brandeis University.

"*Econospinning* has everything going for it. The book's focus - how economists and publications mislead readers, often to buttress their ideological positions - is inherently important." --Australian Financial "There is lots more to Epstein's book and it is all of the highest quality." (Quarterly Journal of Austrian Economics, Winter 2007) From the Inside Flap The way the economy is interpreted can influence many things, from economic policy and business decisions to investment planning and trading strategies. Yet with general interest magazines devoting ever more space to economic issues, with books on these issues routinely making the bestseller list, and with hundreds of media outlets providing 24/7 coverage of economic data, it is harder than ever to separate the substance from the spin. That's the finding of Gene Epstein, who should know a thing or two about the economy, having covered the subject for Barron's since 1993, when he became the Dow Jones financial weekly's first Economics Editor and began writing the regular column, "Economic Beat." Now, in *Econospinning*, Epstein cuts through the veil of economic misinformation commonly reported in today's media. Each chapter of *Econospinning* is structured around fairly simple propositions about the economy or about specific economic data; from tracking employment numbers to measuring corporate profitability; that are then contrasted with the distortions of today's media coverage. Along the way, Epstein exposes loose reporting by focusing almost strictly on the elite media, including the *New York Times*, *Wall Street Journal*, *Financial Times*, *New York of Books*, *The New Yorker*, and *The Economist*. Wherever relevant, Epstein expands on criticisms originally leveled against the reportage of *New York Times* columnist Paul Krugman by the paper's then-public editor Daniel Okrent. At the time, Okrent touched off a firestorm of protest from bloggers and credentialed professionals eager to defend their champion, even when his criticisms were more than transparently valid, as Epstein shows in painstaking detail. *Econospinning* also devotes separate chapters to the coverage of outsourcing and globalization by CNN newscaster Lou Dobbs, whose slant on these topics Epstein finds to be jingoistic at bottom; to the bestseller *Freakonomics*, whose better-known arguments; on the connection between abortion and lower crime rates, and on the deleterious role of real estate brokers; are exposed as groundless; and to the semi-classic *Nickel and Dimed*, whose core thesis; that hard work by the working poor is a sucker's game; is easily disproved. The book also critiques coverage of the employment numbers by the CNBC-TV show *Squawk Box*. As a corrective to certain key misconceptions about the economy and economic data, and as a series of lessons on how to discriminate between spin and substance, *Econo-spinning* is an informative, entertaining, and unforgettable read. From the Back Cover PRAISE FOR ECONOSPINNING "We know that economists are dismal scientists, but scientists nevertheless. This book casts doubt about the science of economic journalism by showing that it's often politically biased, superficial, and inconsistent with facts. An important book." —Baruch Lev, Philip Bardes Professor of Accounting and Finance, New York University Stern School of Business "*Econospinning* shines the spotlight on how economic data are chronically misreported by journalists and manipulated by political pundits.

Epstein raises the bar in how to think about and interpret economic statistics." —Bill Dudley, Advisory Director, The Goldman Sachs Group "Bull markets in bad economic ideas are a lot like bubbles in financial assets—it takes just the right mixture of the cynical and the credulous to produce really extreme outcomes. And, as with asset bubbles, the sooner bad ideas are deflated, the less damage they do. Gene Epstein's clear-eyed analysis in *Econospinning* is a timely corrective for many of the flawed notions that have made their way into circulation in recent years." —Lou Crandall, Chief Economist, Wrightson ICAAP "A shocking and provocative book. *Econospinning* shows how the brightest and most credentialed economists—from Krugman in the *Times* to bestselling author Steven Levitt—abuse data, and in rather blatant ways at that." —Amar Bhidé, Lawrence D. Glaubinger Professor of Business Columbia University Graduate School of Business "Gene Epstein preaches that a statistic is not how it's labeled; it's how it's collected. Beware the intersection of an emotionally evocative label and a spuriously precise number." —Neal Soss, Managing Director, Credit Suisse "Gene Epstein's book will raise journalistic standards and cause readers everywhere to mind the news with more care. Paul Krugman has now met his match." —Kent Smetters, Associate Professor of Insurance and Risk Management, The Wharton School, University of Pennsylvania