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Gas Hysteria Media Hype Harm of Rising Gas Prices Despite Drop of 45 Cents Per Gallon

Filling up at the pump is costing less and less each day – 45 cents per gallon less since its post Rita peak of \$2.94.

Despite that huge drop, all three broadcast networks have reported on rising or high gas prices four times as often as falling prices. Here are some of the key results:

- **ABC the Worst:** ABC mentioned falling gas prices only once out of 11 reports and that was only after three straight weeks of price declines.
- **Dropping Prices Have Little Impact:** Gas prices dropped every business day from October 6 through October 30, but the three networks still mentioned rising or high prices 79 percent of the time.
- **Record-Breaking Fiction:** Gas prices haven't topped inflation-adjusted highs. NBC's Anne Thompson and other journalists continued to claim "American consumers have suffered through months of record-high gas prices" even as prices dropped.

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October was a month for scares and the broadcast news shows did their part. Even though

gas prices fell 45 cents in a little more than three weeks, the media continued to talk about "record-high" or "soaring" prices.

Gas prices dropped every day for 17 straight business days, but the media covered rising or high prices roughly four times as often as falling prices.

"As gas prices explode, coal is back after decades of mine closings and layoffs,"

-- Jake Tapper,
Oct. 20 "Nightline"

Gas prices fell steadily from October 6 and continued through the end of the month. The decline had little impact on media coverage. Stories about falling prices still made up just 21 percent of the coverage through October 30.

In fact, the national average price for regular gasoline isn't just lower than it was before Rita, it's now more than 10 cents per gallon below pre-Katrina levels, according to AAA's Fuel Gauge Report.

ABC Barely Acknowledges Decline

ABC was the worst of the three broadcast networks covering

gas prices. Its reporters acknowledged falling prices only once since prices began to fall – just 9 percent of the time. On October 27, with gas prices at \$2.57, down 37 cents per gallon from its post-Rita high of October 5, reporter Betsy Stark of ABC's "World News Tonight" claimed that "consumers [are] still paying close to \$3 a gallon to fill up." She was off nearly 17 percent.

Even though gas fell every business day from October 6 through October 30, only one of ABC's 11 stories about gasoline during that period mentioned it. Right in the middle of that period, ABC's "Nightline" was telling viewers about the advantages of coal, because gas prices were so high.

"As gas prices explode, coal is back after decades of mine closings and layoffs," host Jake Tapper said during the October 20 broadcast.

Gas had actually declined 23 cents from October 5 to \$2.71.

The same program allowed United Mine Workers of America President Cecil Roberts to claim "it's \$3 for gas" without correction.

After a nearly 50-cent drop in prices, ABC finally mentioned the change.

(OVER)

Even then, Bill Weir of "Good Morning America" delivered a downbeat report on the October 29 broadcast. "The average price of regular gas this week, \$2.57, lower than a few weeks ago. Still, a lot more than most people want to pay," said Weir.

NBC Misreported Gas Price

NBC mentioned the decrease in gas prices in 27 percent of its gas stories (3 of 11). Even after it had admitted gas prices were falling, NBC still pushed the opposite.

During the October 28 "Nightly News," anchor Brian Williams still reported a piece on gas prices this way: "NBC News In Depth tonight, the outrage across this country today everywhere people were ponying up to pay more for gas."

Reporter Anne Thompson followed up talking about a "summer marked by hurricanes and \$3 gasoline." She left out that gas had already fallen to \$2.55 by that report.

Two weeks earlier, on the October 14 "NBC Nightly News," reporter Tom Costello claimed that gas prices were consistently going up, claiming that "Americans are pouring more money into their gas tanks every month." The constant flux of gas prices showed that Costello was easily incorrect.

CBS Best of a Weak Group

CBS was consistently the best network covering gas prices when compared to its broadcast competitors, but its results were far from stellar.

It also covered gas prices more often - 17 times during that period. Still, the network mentioned falling prices in slightly better than one out of every four stories (5 out of 17 or 29 percent).

Reporter Anthony Mason was still talking about increasing gas prices during the October 27 "CBS Evening News" after 16 straight

business days of price declines. "But those rising prices at the pump are taking fuel out of the economy, by taking spending money out of our pockets and making the country poorer," he argued.

Broken Records

One of the common themes for gasoline reporting all summer was to claim "record prices," even though the reality was much different. Inflation raises overall prices over time, causing the raw number to go up. A gallon of gas might have cost 25 cents decades ago.

That's why inflation-adjusted prices are the only accurate way to compare costs from one decade to the next.

According to the Energy Department, the inflation-adjusted high for a gallon of regular gas is \$3.11, set in 1981. But Katrina and Rita sent the media scurrying for stories, and "record highs" were mentioned at least eight times.

CBS was especially fond of the term. It appeared three times during the CBS stories. Anchor Bob Schieffer of the "CBS Evening News" said incorrectly that gas prices had peaked "at a record \$3.07 a gallon after Hurricane Katrina" during the October 24 broadcast.

NBC duplicated the mistake on October 28 when gas had fallen to \$2.55. "NBC Nightly News" anchor Brian Williams reported on gas company revenues this way: "And outrage over oil. The big companies get record profits, while you pay record gas prices."

NBC's "Today" show had tried that tactic the day before. Anne Thompson claimed "American consumers have suffered through months of record-high gas prices."

On October 23, NBC "Today" co-host Lester Holt had followed the same theme: "With gas prices at or near record highs, bike sales are soaring." The gas price from the previous Friday was \$2.69 or 37 cents

lower than it had been after Katrina.

Though gas prices had been dropping since October 6, Holt still talked about gasoline going the opposite direction. "Bikes are becoming very popular as gas prices go up, right?"

Methodology

The Media Research Center's Free Market Project looked at news and news-related programs on the three broadcast networks - ABC, CBS and NBC, from October 6 through October 30.

That period saw gas prices drop from a post-Rita peak of \$2.94 and begin a downward slide that continued through the end of the study period.

They ended at \$2.51, nearly 15 percent below the beginning level and even lower than gas prices were before Hurricane Katrina hit. In all, there were 38 stories that discussed rising, high or falling gas prices.

Conclusion

The media have been pumping up gas prices for much of 2005 by emphasizing rising prices and downplaying any declines in price. That doesn't add anything to the energy policy debate and, instead, leaves fear and anxiety in the wake of every news report.

To improve coverage, the media should follow these simple steps.

- **Be Consistent:** If gas prices going up are news, then those same prices are news again when they drop.
- **Compare Apples to Apples:** Inflation increases prices over time, so journalists should compare prices in constant (or inflation-adjusted) dollars. That will eliminate frequent claims of "record" highs.
- **Don't Just Cover High Prices:** Gasoline prices are an average. That means there are corresponding low prices to balance out high prices. The media should report on both. •