

# ≡ Presidents and the Economic Agenda

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The president's ability to influence the national policy agenda is an important component of presidential power. Although some maintain that presidents are favorably situated to set agendas, others demonstrate that the president's agenda-setting skills vary considerably by policy area. What is more, scholars have yet to examine the impact presidents have had focusing attention on the economy, an issue of vital importance to their political success. Extending previous research on presidential agenda setting that did not address economic policy (Edwards and Wood 1999; Wood and Peake 1998), we test the impact that the president's public statements on the economy have on media and congressional attention to the economy. Using Vector Autoregression (VAR), we demonstrate that although presidents have some influence over the economic agenda, presidents are primarily responsive to media coverage of the economy.

Agenda setting is of primary importance to the distribution of power in American politics. The traditional model of agenda setting suggests the president is the "principal instrument" for nationalizing policy debates (Schattschneider 1960, 14). Baumgartner and Jones (1993: 241) observe that "no single actor can focus attention as clearly . . . as the president." Similarly, Kingdon (1995: 23) claims that "the president can single handedly set the agenda, not only of people in the executive branch, but also of people in Congress and outside the government." As unitary leader of the United States, the president has the "bully pulpit" at his disposal, giving him constant access to the media and Congress (see Edwards and Wood (1999) for a complete review of these arguments).

Influencing the policy agenda is an important—if not the most important—source of presidential power (see, among others, Edwards 1989). Presidential success in Congress and influence over the policy process is likely to increase if the president is able to dictate which issues are on the congressional agenda (see Bond and Fleisher 1990). Furthermore, the ability of presidents to influence the media's agenda or the public salience of issues is vital to the public support presidents receive (DeRouen and Peake 2002; Edwards, Mitchell, and Welch 1995). Some research demonstrates a positive link between the president's spoken word in the State of the Union address and the percentage of the public who finds economic, foreign, or civil rights policies to be the most important problem facing the United

States (Cohen 1995; Hill 1998) or media attention to many issues (Lawrence 2003).

Although the literature suggests that presidents can set policy agendas, especially through the State of the Union, mounting evidence indicates that presidents are limited in their ability to do so across all speeches and statements. Presidents simply have much difficulty moving public opinion (Edwards and Eshbaugh-Soha 2001; Page, Shapiro, and Dempsey 1987) or influencing media attention to issues (Edwards and Wood 1999). Presidents have some influence over congressional and media attention to some domestic issues including health care, education, and crime (Edwards and Wood 1999), but they tend to react to media attention on other domestic policies (Flemming, Wood, and Bohte 1999). Presidential agenda-setting authority is further limited over foreign policy, where presidents have been primarily responsive to media attention and international events involving the major national security policy issues of the 1980s and 1990s (Peake 2001; Wood and Peake 1998).

Despite not finding consistent presidential leadership of policy agendas, these studies do not exhaust the possibility of presidential influence. Scholars have long held that policy type affects politics (Lowi 1972). Research notes variation by policy type in the president's agenda-setting abilities, the impact of the president's public approval on his success in Congress (Canes-Wrone and de Marchi 2002), and politicians' influence over regulatory policy (Gormley 1986). With this in mind, we see a glaring hole in the emerging quantitative literature on presidential agenda setting: scholars have failed to analyze the influence presidents have on the dynamics of attention related to the economy, even though economic issues matter greatly to presidents.

In this study, we analyze the interaction between three key actors in economic agenda setting—the president, Congress, and news media—using the same research design and measures of issue attention used by other agenda-setting scholars (Edwards and Wood 1999; Wood and Peake 1998). Although we suspect that presidents may have some influence over congressional and media agendas on the economy given its importance to the president, we

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also believe that the causal interactions between presidential, congressional, and media attention to the economy from 1981 until 2000 are not unidirectional. Hence, we use Vector Autoregression (VAR) analysis, keeping in mind the possibility that presidential attention to the economy may respond to either media or congressional attention to the economy. Clearly, if presidents can influence when the media and Congress focus on the economy, they have a significant source of power over one of the most important issues facing every presidency.

#### PRESIDENTIAL AGENDA SETTING AND THE ECONOMY

Economic policy is particularly important to the presidency. The president needs a sound economy for a variety of political reasons ranging from public approval to electoral success (see, among others, Campbell 2000). After all, the public is frequently concerned with the economy,<sup>1</sup> so as a general rule, if the economy is doing well, the president is doing well. For these reasons, the economy is an issue to which presidents devote considerable time and attention. Indeed, presidents averaged nearly 21 paragraphs per week in the *Public Papers* discussing the economy from 1981-2000.<sup>2</sup>

Presidents have good reasons to try to influence the attention given the economy by the media and Congress. Media play an important role in affecting what issues are important to the public (Iyengar, Peters, and Kinder 1982). Media attention affects the public's familiarity with issues (Page and Shapiro 1992: 12) and its evaluation of the president through priming (Edwards, Mitchell, and Welch 1995; Krosnick and Kinder 1990; Iyengar 1991). If the president can influence media attention to the economy by encouraging news stories about economic prosperity, for example, then he may also affect his public approval (Edwards, Mitchell, and Welch 1995). Because public opinion on the economy is vital to a president's political success, presidents will devote considerable attention to it. Moreover, we infer that if presidential attention leads to news stories on the economy, then it likely also affects the public's agenda. If the president cannot influence the media, he is unlikely to influence the public's agenda.

Presidents also have much to gain by setting the congressional economic policy agenda. Presidential attention to the economy may encourage Congress to support the president's policy solutions to economic problems. In turn, presidents should be able to influence the legislative agenda (Edwards and Barrett 2000), influence that is vital to a president's success in Congress (see Bond and Fleisher 1990). By claiming credit for legislation that either stimulates a failing

economy or furthers economic growth, furthermore, presidents may improve their public standing.

If the president can dictate attention to the economy by either Congress or the media, he has enormous power to secure his own political success. But presidents must contend with three basic political and institutional barriers as they attempt to influence the policy agendas of the news media and Congress. First, the president competes with many other actors and events for scarce network airtime, limiting his opportunities to appear on the nightly news. Domestic and international events can shift the president's focus, making it difficult for him to direct media or congressional attention to one issue (Wood and Peake 1998). Moreover, legislative entrepreneurs (Baumgartner and Jones 1993) or the news media (Edwards and Wood 1999) significantly affect what policies are important to the government and public. Media have their own goals of increasing ratings and profits, and will not always address issues that presidents find important. Moreover, the media's emphasis on negative news stories (Bennett 2003) could affect when the media will discuss the economy, perhaps doing so more frequently during times of economic hardship. Fragmentation of the news media through the proliferation of cable television and the Internet, coupled with the president's declining audience on network television (Baum and Kernell 1999), further erode his agenda-setting prowess.<sup>3</sup>

Second, an issue's typical level of salience may increase or decrease the president's success affecting that policy's agenda. Prior issue salience is vital to when presidents may be able to set agendas. Research that finds a lack of presidential agenda-setting influence has focused on perpetually salient topics such as the Arab-Israeli conflict (Wood and Peake 1998) or crime (Edwards and Wood 1999). Presidents are most likely to affect media attention to policy issues that had not been salient, such as health care (Edwards and Wood 1999) or foreign aid (Peake 2001). Because the economy is often salient in American politics, especially when it performs poorly, presidents should have a limited impact on media attention to the economy. Nevertheless, a strong economy provides an opportunity for presidential agenda influence because a strong economy is typically less salient than a struggling one.<sup>4</sup>

Third, the means by which presidents try to set the policy agenda may affect their success in doing so. Presidential agenda setting is most pronounced after the president's State of the Union address, where the president tends

<sup>1</sup> Since 1949, the cumulative percent of the public citing one or more aspects of the economy as the most important problem in Gallup polls averaged 41 percent per year (Fordham 1998).

<sup>2</sup> These data come from the *Public Papers of the President*, various years. For comparison, from 1984-1994 presidents averaged 18 paragraphs per week discussing US-Soviet relations (Wood and Peake, 1998), another highly critical issue during a critical time.

<sup>3</sup> Even though this may have changed in the 1990s, Nielsen reported in 1992 that 65 percent of viewing time is spent watching network television (Baker and Dessart 1998, 110), suggesting a still sizeable latent audience for presidents to influence over much of our time period.

<sup>4</sup> The economy is quite salient throughout our time series, with an average of 1451 seconds (or about 24 minutes) of network news coverage per week. The economy was more salient under George H.W. Bush and a poor economy (1779 seconds per week) than under Clinton and a strong economy (980 seconds per week). Gallup's most important problem data also suggest that the economy was more salient under Bush than Clinton (Ragsdale 1998, 247).

to affect the issues that the public considers most important (Cohen 1995; Hill 1998) and media attention to various issues (Lawrence 2003). The bulk of scholarship that rejects the president as the dominant actor in agenda-setting focuses on all presidential speeches and does not treat speeches with national audiences differently (Edwards and Wood 1999; Wood and Peake 1998). Doing so has possibly negated the distinct impact the nationally televised address may have on the president's agenda-setting success.<sup>5</sup> Nevertheless, the decision to lump all speeches together is justified because the president's public relations strategy relies more heavily on minor addresses than it used to (Kernell 1997). Therefore, focusing on all speeches may more fully represent the president's complete policy agenda, just as major presidential appeals may alone affect the agenda positively. In short, the decision by recent presidents to use less than major activities as the cornerstone of their public relations strategy—and our decision to represent the president's agenda in this way—may weaken the president's influence over the economic policy agenda.

With that said, presidents who focus significant attention on specific aspects of the economy may override these expectations. One of the preconditions of agenda influence is presidential attention to an issue. If a president saturates his agenda with only one or two issues, the media—because the president is typically newsworthy—is most likely to respond. Hence, individual presidents may have influenced the salience of specific aspects of the economy to which they devote specific and unwavering attention. President Ronald Reagan, as an example, made numerous speeches on tax, spending, and inflation issues in the early 1980s, and may have had an impact on their salience. Presidents George H. W. Bush and Bill Clinton's efforts on behalf of NAFTA and other foreign trade initiatives likely influenced the salience of international economic issues.

Even though empirical evidence is mixed on presidents' agenda-setting power, presidents have good reason to try to wield it. Keeping these reasons and the dearth of research on agenda-setting and the economy in mind, we leave open the possibility that presidents may only focus on those issues that are of vital importance, and therefore, that the president is an adept agenda setter when it matters most. Below, we test if presidents can influence the economic policy agenda, an area vital to presidential power.

## DATA

The extent of our dataset allows us to test the impact that presidential statements on the economy have on congressional and media attention to specific economic issues. Our analysis runs from 1981 through 2000.<sup>6</sup> We collected

weekly measures of presidential, congressional, and media attention to the economy. Specifically, we examine institutional attention to the economy overall, spending issues (such as deficits, debt, tax, and budget issues), inflation and unemployment, and international economic issues (including trade). The Appendix explains further our break down of economic issues. Because presidential, media, and congressional attention to the economy could be driven by the state of the economy itself, we control for the weekly change in the Dow Jones Industrial Average (DJIA). In measuring the attention paid to the economy by presidents, the media, and Congress, we adopt the same approach used in previous research to measure attention to foreign and domestic issues (Edwards and Wood 1999; Wood and Peake 1998).

*Presidential Statements.* The public attention presidents devote to the economy is our primary independent variable. We content-analyzed *The Public Papers of the President*, and code presidential attention to the economy as the number of paragraphs presidents devote in their public statements to several economic issues. See Appendix for key words used to search the indexes of the *Public Papers*.

*Congressional Attention.* Although Congress does not typically focus the nation's attention like the president, congressional attention may influence media or presidential attention to the economy. To determine whether the president leads or responds to congressional attention to the economy, we code congressional attention as the number of days in hearings devoted to economic policy from the Congressional Index Services (CIS) database available through Lexis-Nexis. See Appendix for key words used to electronically search CIS.

*Media Attention.* The media might influence presidential or congressional attention to the economy or vice-versa. We measure media attention as the number of seconds per week that the networks' (ABC, CBS, and NBC) nightly news programs devoted to economic policy. We code these data from the Vanderbilt TV News Archive housed online at <http://tvnews.vanderbilt.edu/>. Keep in mind that media attention is an indicator of not only the media's agenda, but also of an issue's public salience (Edwards, Mitchell, and Welch 1995). See Appendix for key words used to search the TV News Archive.<sup>7</sup>

who use data from 1984-1995. We adopt the weekly unit of analysis in order to follow as closely as possible the design of previous research. We also believe the week is the most appropriate measure when examining dynamic processes related to attention to issues. We could have examined quarterly or monthly data, yet in conducting time series analysis a finer time frame is preferred as temporal aggregation might bias the estimation of the model (Alt, et. al. 2001; Freeman, et. al. 1989; Wood and Peake 1998).

<sup>7</sup> One other popular measure of issue salience is Gallup's Most Important Problem (MIP) series. We adopt media measures of public salience in order to be congruent with previous research, but also because we believe it is a much better indicator of an issue's salience and relevance to the president than the MIP series. Edwards, Mitchell, and Welch (1995) make a similar decision when measuring salience in their analysis of priming and presidential evaluations. We also adopt the media measure for its practicality. Plainly, MIP data are available infrequently,

<sup>5</sup> Recent scholarship has begun to question the success presidents may have setting the agenda through nationally televised speeches (Peake and Eshbaugh-Soha 2003).

<sup>6</sup> Twenty years of data gives us 1040 weekly time points, which is a longer time series than that used by Edwards and Wood (1999), among others,

*Dow Jones Industrial Average.* The economy itself may influence congressional, media, or presidential attention to it. To account for this, we control for the Dow Jones Industrial Average (DJIA), one of the few available weekly economic indicators. We treat it as an a priori exogenous variable in our VAR model. The DJIA is a good proxy for other, more objective indicators of the economy (such as inflation and unemployment) that are only available by month. The DJIA responds, after all, to changes or anticipated changes in both the Consumer Price Index and unemployment rates (Lucas and Sargent 1981). In previous versions of this paper we found no significant impact of unemployment or CPI at the monthly unit of analysis.<sup>8</sup>

### STATISTICAL METHODS

We use Vector Autoregression (VAR) methodology (Freeman, Williams, and Lin 1989; Simms 1980) to evaluate the causal directions of the relationships between presidential, media, and congressional attention to economic issues. We select VAR (instead of other causal modeling alternatives, such as three-stage least squares) because we want to examine the determinants of institutional attention without making our attention variables a priori exogenous. We do not impose parameter restrictions and identify a unidirectional equation system because we are unsure theoretically which institution influences which. Because of this, the most stringent test for presidential influence on economic agendas allows for the plausibility that media or congressional attention determines presidential attention to the economy.

VAR is a multivariate extension of the Granger (1969) approach to causal inference. Each dependent variable is regressed on lagged values of itself and other dependent variables in the system. VAR provides an excellent control for history by taking into account several lags of all of the endogenous variables in the system.<sup>9</sup> VAR evaluates rela-

tionships by conducting joint hypothesis tests for the blocks of lags associated with each variable. The dependent variables in the VAR system include presidential, media, and congressional attention to the economy. The existence of Granger causality indicates that lagged values of one variable produce changes in current values of the dependent variable in question. If, in our model, media attention Granger causes presidential attention, then we have statistical evidence that previous weeks' media attention to the economy influences what presidents say publicly on the economy in the current week, with significant controls for history. We enter the DJIA variable into the model as an a priori exogenous variable, with no lags. This approach is termed ARX modeling and offers a robust control for real-world cues from the state of the economy (Wood and Peake 1998, 177).<sup>10</sup>

### FINDINGS

We report our findings in two sections. First, we present analyses of the causal relationships between weekly presidential statements, congressional hearings, and media attention to various economic issues over our entire time series, 1981-2000. Second, we analyze attention to the economy by presidential administration. Different economic environments across administrations may have improved agenda influence for some presidents or worsened it for others.

#### *Does the President Influence the Economic Policy Agenda?*

According to several VAR models, relationships between presidential, congressional, and media attention across the entire range of economic issues are quite dynamic. The Granger causality F-tests (reported in Table 1, column 1) demonstrate and the Moving Average Response (MAR) graph (Figure 1) confirm that agenda-setting effects on the economy are a function, in part, of institutional inertia, or history.<sup>11</sup> According to the Granger tests, media attention is exogenous to the system when attention to the overall economy is analyzed. Only previous media attention to the overall economy influences current media attention. Weekly presidential attention does not appear to significantly impact media attention to the overall economy. Rather, the president is responsive to media attention as the news media Granger causes presidential attention to the overall

allowing for nothing more than quarterly time-units, with significant estimation of missing data. We believe the benefits from finer time points of weekly data far outweigh any added validity (which is disputable) from using MIP measures.

<sup>8</sup> We recognize, nevertheless, that the DJIA may, at times, respond to congressional, presidential, or news stories on the economy. After all, the DJIA is an aggregation of economic transactions driven by constructions, or perceptions of economic performance. While more objective measures like unemployment or the inflation rate would be preferable, such measures are unavailable weekly. The beginning monthly DJIA is negatively correlated with the monthly unemployment rate at Pearson's  $r = -.76$ , for the years 1981 through 2000. Additionally, the DJIA is a commonly used barometer for short-term fluctuations in U.S. economic performance, and therefore serves as a useful control for economic conditions (or at least the perceptions of those conditions).

<sup>9</sup> It is likely that history plays a large role in the dynamics of issue salience (Edwards and Wood 1999; Wood and Peake 1998). In other words, prior institutional attention to the economy is likely to influence current attention to the economy. VAR modeling takes the historical dynamics of the endogenous variables into account (Freeman, Williams, and Lin 1989) and provides an internal control for history by including multiple lags of each variable in all equations so that VAR disturbances are random with respect to time. Because of this, problems of specification

error, such as the exclusion of presidential activity not accounted for in our attention measures (such as presidential initiatives presented to Congress), are of minor concern. Even though presidential rhetoric may not measure the complete presidential agenda, VAR allows us to isolate the effects of public presidential attention on other institution's attention (and vice versa).

<sup>10</sup> We determined lag lengths using Akaike Information Criteria test (Simms 1980). For more in-depth discussion of using VAR see Edwards and Wood (1999) and Wood and Peake (1998).

<sup>11</sup> Because F-test coefficients are difficult to interpret, we do not report them. We only indicate causal links between independent and dependent variables which are statistically significant.

≡ TABLE 1  
BLOCK EXOGENEITY F-TESTS FOR PRESIDENTIAL, CONGRESSIONAL, AND MEDIA ATTENTION TO ECONOMIC ISSUES

Independent Variable	All Economic Issues (1)	Spending Issues (2)	Inflation/ Unemployment (3)	International Issues (4)	Dependent Variable
President	→	→	→	→	President
Congress	→			→	
Media	→	→	→	→	
DJIA	—				
President			→	→	Congress
Congress	→	→	→	→	
Media	→		→		
DJIA					
President			→	→	Media
Congress				→	
Media	→	→	→	→	
DJIA	—	—			

Note: The weekly change in the Dow Jones Industrial Average is included as an exogenous variable in this system. The arrows indicate that the independent variable Granger causes the dependent variable at a significance level of  $p < .1$  at a lag of two weeks for all categories except international issues, which includes a lag of one week. DJIA represents the direction of significant t-statistics ( $p < .1$ ).

economy. The MAR verifies a positive relationship<sup>12</sup> and suggests that as the media shift their attention to economic issues, the president responds with increased public attention for about four weeks. In short, the president has no discernible causal impact on congressional and media attention to the overall economy, and appears responsive to both increased media attention, and to a lesser degree, congressional attention to the economy.

It is plausible that presidents exert influence over the agenda on some economic issues but not others. Our analyses confirm this expectation, as presidential influence is mixed when we disaggregate economic issues. Media attention drives presidential attention to spending issues, which became important to economic policy in the 1980s after repeated budget short falls and failed deficit-reduction strategies. Spending issues remained salient during the 1990s in response to deficit politics and the conflict surrounding government spending. The Granger F-tests (Table 1, column 2) and MARs (Figure 2) show that the president responds positively to media attention on spending issues. At the same time, however, media do not respond to shifts in presidential attention to spending issues. The Granger F-test for presidential impact on media attention is insignificant most likely because spending issues remained salient across the time period, thus limiting the impact of presidential attention on the media.

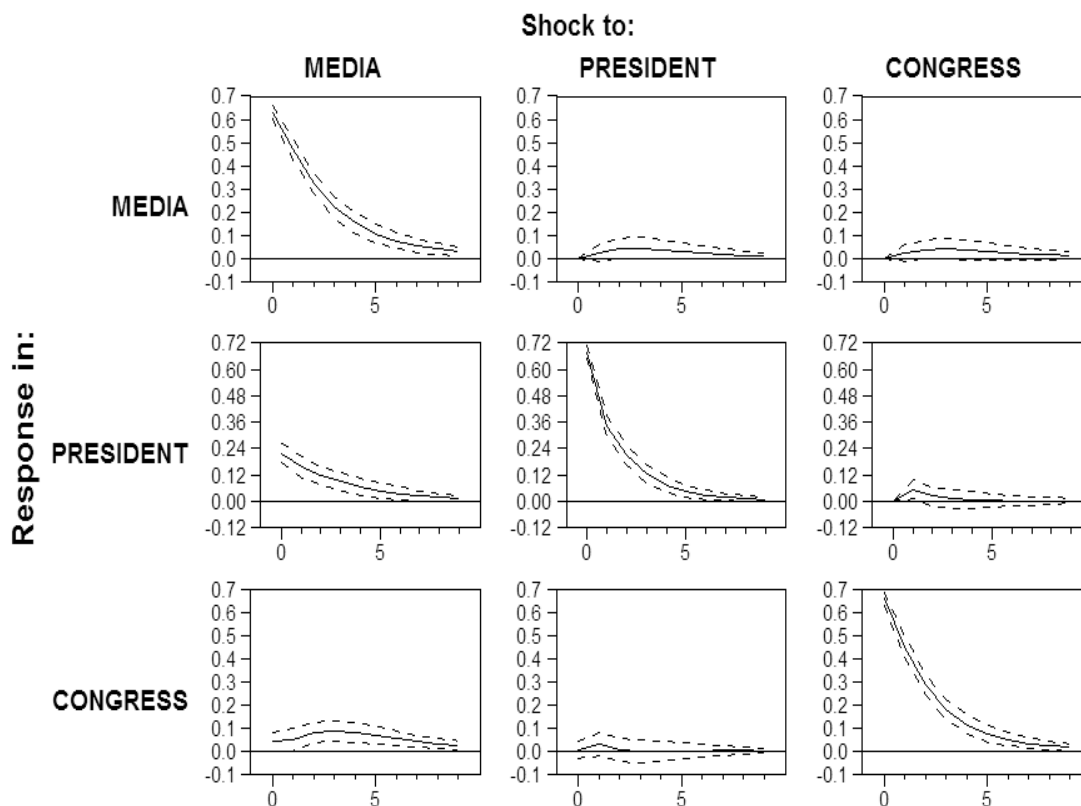
Presidents appear to have the most agenda influence on the other issues. Presidential and media attention to unemployment and inflation are reciprocal (Table 1, column 3). Presidential attention Granger causes media attention to unemployment and inflation,<sup>13</sup> just as media attention Granger causes presidential attention to these issues. The relationships are clearly positive according to the MARs (Figure 3). Additionally, both the president and the news media Granger cause congressional attention to inflation and unemployment. The relationships on international economic issues are primarily reciprocal (Table 1, column 4). When the president attends to foreign trade and other international economic issues, the media and Congress respond by increasing their attention (see MARs in Figure 4). As with the other issues, presidents are responsive to increased media attention to international economic issues.

Economic indicators, represented here by weekly changes in the DJIA (see footnote 8), also affect the attention devoted by the news media and presidents to the overall economy and media attention to spending issues. These relationships are negative, according to Table 1, which suggests that downturns in perceptions of the health of the economy increase attention by the news media and the president. It is not surprising that media focus on downshifts in the stock market because of the

<sup>12</sup> Moving average responses are sensitive to variable ordering. By convention, exogenous variables (as determined by the Granger F-tests) are placed first. In most instances, the F-tests suggested presidents were mostly responsive to media attention, so we placed the media measure first in the ordering.

<sup>13</sup> Even though inflation and unemployment are distinct economic issues, we code them together because news media reports and congressional hearings typically discussed one when they discussed another. Separating these categories introduces additional measurement error into our estimates.

≡ FIGURE 1  
MOVING AVERAGE RESPONSE FOR ALL ECONOMIC ISSUES



Note: Media is weekly seconds of evening network television news coverage of all economic issues (from the *Vanderbilt Television News Archive*). President is the weekly number of paragraphs devoted to all economic issues in the *Public Papers of the President*. Congress is the weekly hearings days devoted to all economic issues in *Congressional Information Service* committee hearings database. Each chart represents the response by the row variable over 10 weeks to a one-standard deviation simulated shock in the column variable. Dashed lines are 95 percent confidence intervals.

news media's tendency to report negative news (Bennett 2003). Perhaps presidents also increase their attention to economic issues amid market downturns to offset any potential decline in consumer confidence (Wood, Owens, and Durham 2002).

#### *Different Effects by Presidential Administrations*

Analyses by presidential administration confirm our general findings that presidents have a limited impact on media or congressional attention to the overall economy and mixed results on disaggregated issues. Neither President Reagan nor Bush had a statistically significant causal impact on media attention to the overall economy (Table 2). Additionally, Reagan responded to increased media attention to the overall economy by speaking more about it. Clinton's attention to the economy Granger causes media attention to the overall economy, while the news media does not affect Clinton's attention to it. Clinton may have had the most influence over the economic agenda because he devoted much time to advertising a strong economy to help his

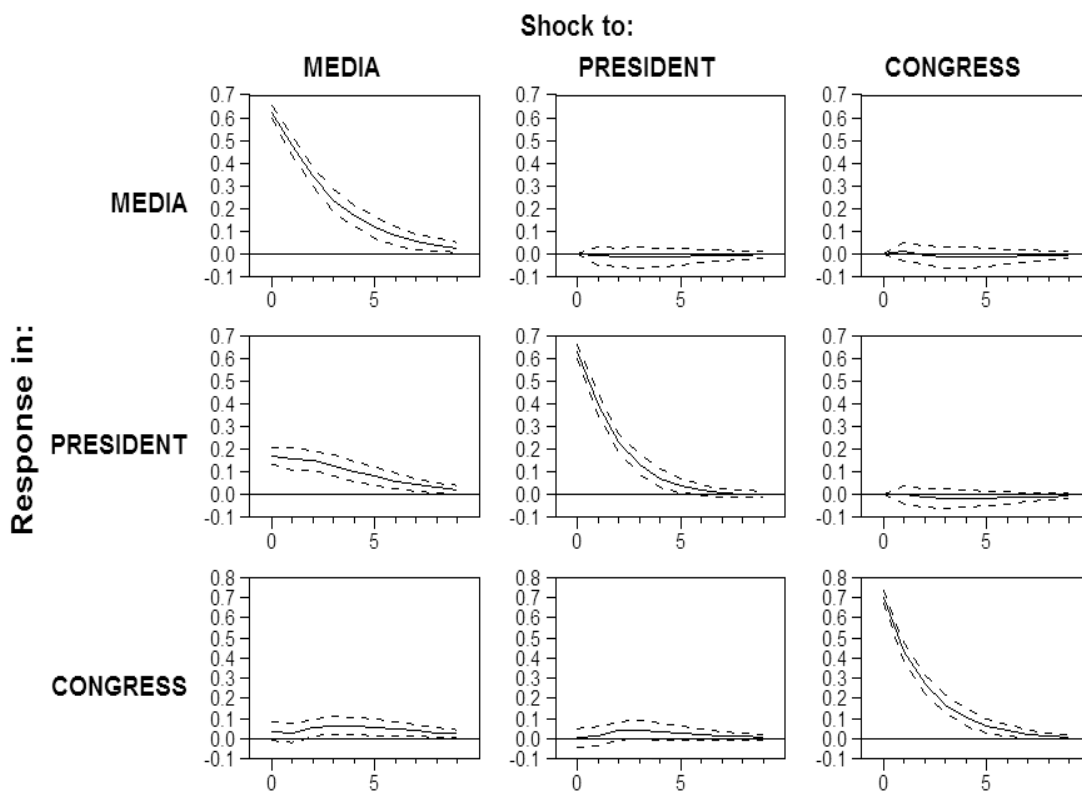
reelection chances in 1996 and maintain his public standing through his impeachment hearings.<sup>14</sup>

When we disaggregate the issues by administration, we find that Reagan only affected media attention to unemployment and inflation (Table 2). This is consistent with the success he had "going public" on the economy during his first year in office (Kernell 1997), when inflation and unemployment were high. Reagan's economic program specifically targeted inflation and interest rates, so this effect demonstrates that presidents are able to increase attention to specific economic issues when they prioritize them. Even though Kernell (1997) implies that Reagan also affected the salience of tax and spending issues through national addresses, we find no similar impact on media attention for all of Reagan's public statements on tax and spending issues.<sup>15</sup>

<sup>14</sup> Clinton's public statements provide confirmation of this emphasis. Clinton discussed often the strength of the economy, typically beginning each of his public statements touting his economic record.

<sup>15</sup> It is worth noting that Canes-Wrone (2001, 323-325) found that national presidential addresses on budgets increased presidential success

≡ FIGURE 2  
MOVING AVERAGE RESPONSE FOR SPENDING ISSUES



Note: Media is weekly seconds of evening network television news coverage of spending issues (from the *Vanderbilt Television News Archive*). President is the weekly number of paragraphs devoted to spending issues in the *Public Papers of the President*. Congress is the weekly hearings days devoted to spending issues in *Congressional Information Service* committee hearings database. Each chart represents the response by the row variable over 10 weeks to a one-standard deviation simulated shock in the column variable. Dashed lines are 95 percent confidence intervals.

George H. W. Bush was primarily responsive to media attention to economic issues, especially attention to spending, inflation and unemployment. He governed during periods of ballooning deficits and a short recession. Bush's responsiveness was probably due to the importance of the economy during a recession, and because the public did not see him as a strong handler of the economy (Edwards, Mitchell and Welch 1995). Bush avoided discussing the economy until he was forced to by media attention to the recession. Indeed, Bush's economic program (proposed in early 1992) was a clear response to public criticism of his handling of an economy that was already recovering (Hetherington 1996), even though his efforts were too late to help his reelection campaign. Bush only caused media attention to international economic issues.

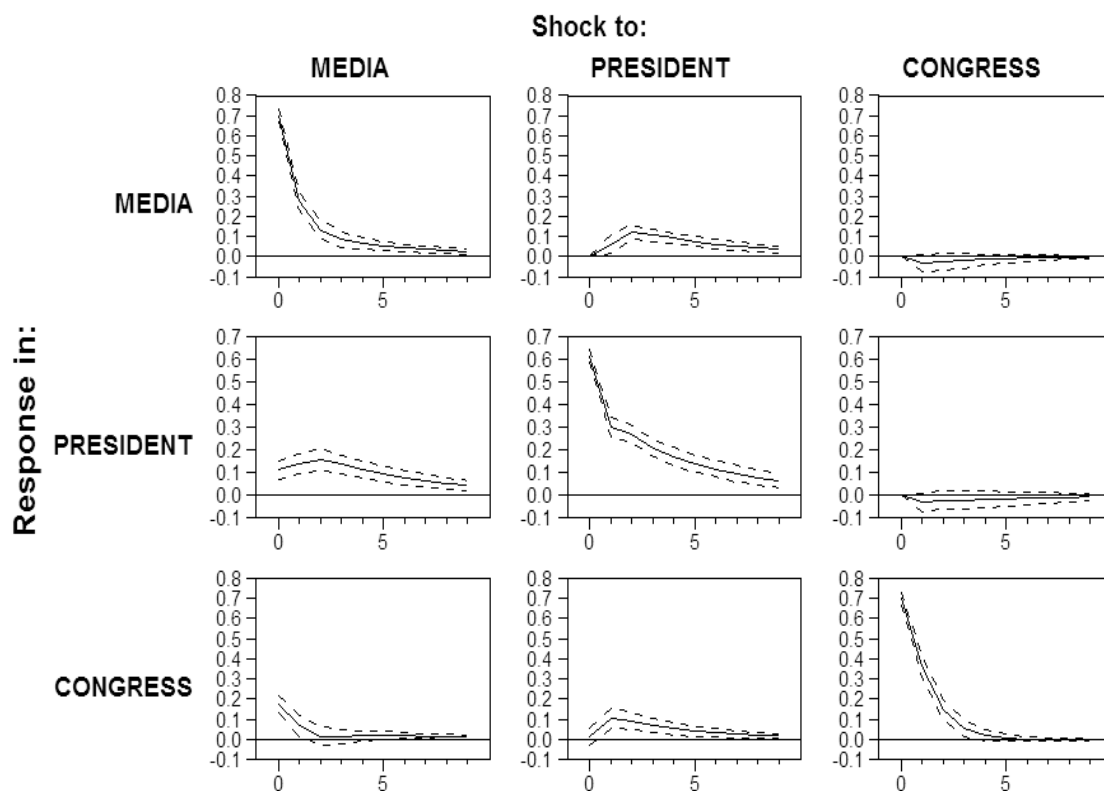
The analyses show that Clinton positively influenced media attention to spending issues. The conflict surrounding the budget battles during the 1990s as well as positive

news about declining deficits, clearly attracted media attention to spending from 1993 through 2000. Clinton also had a clear, positive impact on media attention to international economic issues. This result, combined with similar effects during the Bush administration, coincides with Peake (2001), who showed that Bush and Clinton clearly prioritized foreign trade and affected media attention, whereas Reagan did not.

Finally, the results add to our understanding of the effects that the Dow has on presidential attention to the economy. Recall that presidents respond to a decline in the Dow, possibly to offset a subsequent decline in consumer confidence (Table 1). But Table 2 demonstrates that this finding is a bit more nuanced. When the economy is in recession—as the case was generally with Bush—the president will emphasize when the economy is improving, evidenced in Table 2 by a positive relationship between an increase in the weekly change in the DJIA and attention by Bush to the economy. Conversely, presidents do not need to advertise a booming economy specifically in response to an increase in the Dow. Rather, they respond to a decline in the Dow by using their rhetoric to offset any subsequent decline in consumer confidence, as evidenced by the negative

on budgets, even though she did not examine the intervening impact of salience on this success. Indeed, "prior media salience" had no statistically significant impact on either "public appeals" or "budgetary success" in her study.

≡ FIGURE 3  
MOVING AVERAGE RESPONSE FOR ALL INFLATION/UNEMPLOYMENT



Note: Media is weekly seconds of evening network television news coverage of inflation and unemployment issues (from the *Vanderbilt Television News Archive*). President is the weekly number of paragraphs devoted to inflation and unemployment issues in the *Public Papers of the President*. Congress is the weekly hearings days devoted to inflation and unemployment issues in *Congressional Information Service* committee hearings database. Each chart represents the response by the row variable over 10 weeks to a one-standard deviation simulated shock in the column variable. Dashed lines are 95 percent confidence intervals.

relationship between the Dow and President Clinton's attention to all economic issues. Presidential responsiveness to the Dow is thus a product of the larger economic environment, not simply the weekly changes in this economic indicator. Again, when the economy is poor, presidents want to advertise positive news; when the economy is strong, presidents want to make sure that any negative changes in the economy do not slow economic growth.

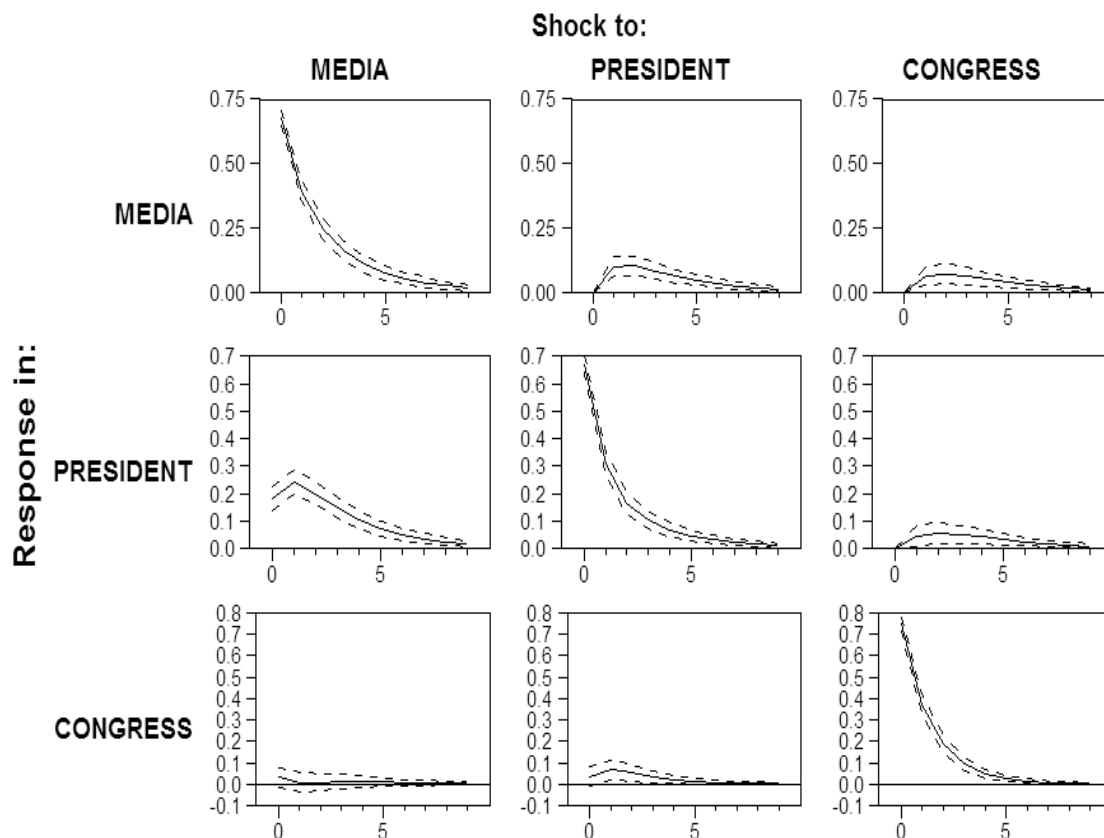
#### DISCUSSION

Can presidents set the economic policy agenda with their public statements? We demonstrate that presidents do not typically influence the attention devoted to economic issues by either the news media or Congress, but are instead primarily responsive to media attention. The media cause presidential attention to the overall economy, and to a subset of specific economic issues. Presidents influence media and congressional attention to international economic issues and inflation and unemployment, even though these findings are driven by the success of specific administrations, not the

presidency in general. Moreover, presidents appear best able to affect media attention to economic issues during a booming economy, as our findings regarding Clinton demonstrate.

In spite of the limited opportunity for presidents to affect media attention to some economic issues particularly in good times, the weight of our evidence confirms that presidents have difficulty increasing the salience of economic issues, especially when the economy is struggling. The president must respond to economic problems because the public expects presidential leadership on the economy. Moreover, news media's desire for ratings and economic news, particularly bad news, will interest a public concerned with job security and national prosperity. George Bush fell victim to this relationship in 1992, but our findings suggest that his experience is not rare but a function of the presidency's limited influence on the economic policy agenda, particularly when the economy is weak. This is exacerbated because the president is not sufficiently prescient to determine when the economy may be a problem, and is therefore typically unable to set the economic policy agenda prior to increased news coverage of a floundering economy.

≡ FIGURE 4  
MOVING AVERAGE RESPONSE FOR INTERNATIONAL ECONOMIC ISSUES



Note: Media is weekly seconds of evening network television news coverage of international economic issues (from the *Vanderbilt Television News Archive*). President is the weekly number of paragraphs devoted to international economic issues in the *Public Papers of the President*. Congress is the weekly hearings days devoted to international economic issues in *Congressional Information Service* committee hearings database. Each chart represents the response by the row variable over 10 weeks to a one-standard deviation simulated shock in the column variable. Dashed lines are 95 percent confidence intervals.

Economic trends and attention to economic issues during the George W. Bush Administration support the general tenor of our findings. The economy has notably improved during the last two years of Bush's first term. Consumers have had more money in their pocket books due to tax rebates, the fourth quarter of 2003 revealed significant economic growth, and the Dow Jones Industrial Average surpassed the 10,000-point mark in 2004 for the first time since the spring of 2000. Despite this good economic news, a majority of Americans have not approved of the president's handling of the economy consistently throughout his administration. Often, it seems, the media focus more on negative economic news, framing economic progress as a "jobless recovery" and noting the importance of unemployment and outsourcing to the 2004 presidential election contest. The degree to which Bush is able to frame the debate on the economy positively may influence his reelection success. Our analysis suggests, however, that the President Bush will have difficulty doing this because media do not typically respond to presidential attention to the economy, especially if economic news is not promising.

Our results stress conditions under which the president may have an agenda-setting impact on the economy and other issues. First, when presidents prioritize an issue through their public statements—when they make a concerted effort to influence the agenda—they may have the most success affecting the agenda (Edwards and Wood 1999; Peake 2001). Clinton was successful affecting the economic agenda, as he spoke frequently about the booming economy, Reagan affected attention to inflation, and both Clinton and Bush influenced attention surrounding their top economic priority, free trade. Yet we demonstrate that even when presidents prioritize economic policy in general, as Reagan and Bush did in the early 1980s and 1990s, respectively, they did not always lead on it perhaps because presidents must attend to the economy, whereas they have more flexibility in prioritizing less critical issues. In other words, being a priority may be only one condition for a president to influence the policy agenda.

Second, the president's ability to set the policy agenda may vary by the salience of the issue involved (Flemming, Wood, and Bohte 1999). Presidential agenda-setting effects

≡ TABLE 2

BLOCK EXOGENEITY F-TESTS FOR PRESIDENTIAL, CONGRESSIONAL, AND MEDIA ATTENTION TO ECONOMIC ISSUES BY ADMINISTRATION

Independent Variable	Reagan			Bush			Clinton			Dependent Variable
	All Issues	Inflation/ Spending	Int'l Unemp. Issues	All Issues	Inflation/ Spending	Int'l Unemp. Issues	All Issues	Inflation/ Spending	Int'l Unemp. Issues	
President	→	→	→	→	→	→	→	→	→	President
Congress			→						→	
Media	→	→	→		→	→	→	→	→	
DJIA				+			+	—	—	
President			→				→		→	Congress
Congress	→	→	→	→	→		→	→	→	
Media	→	→							→	
DJIA										
President			→				→	→	→	Media
Congress			→					→	→	
Media	→	→	→	→	→	→	→	→	→	
DJIA	—	—								

Note: The weekly change in the Dow Jones Industrial Average is included as an exogenous variable in this system. The arrows indicate that the independent variable Granger causes the dependent variable at a significance level of  $p < .1$  at a lag of one week. DJIA represents the direction of significant t-statistics ( $p < .1$ ).

are less likely on issues that are consistently salient, and greater on issues where media attention is sporadic (Edwards and Wood 1999; Peake 2001). Presidents are unlikely to set the economic policy agenda in part when it is consistently on the news, but may do so when a booming economy is less salient, as our findings for Clinton demonstrate. A lack of prior salience, in other words, appears to be another condition for presidential agenda-setting influence, as measured and analyzed in recent studies.

We remind scholars, nevertheless, about the limitations of this and other agenda-setting studies in light of the growth in cable television news and the increasing availability of information on the Internet. Foote (1990) argues that networks have become resistant to presidents using prime-time addresses. Perhaps increased cable outlets have forced the networks to limit presidential access so the networks can stay competitive, limiting the president's ability to influence the media's agenda. Moreover, Baum and Kernell (1999) demonstrate that cable has ended the "Golden Age" of presidential television, reducing the size of the president's "captured audience," and limiting his success communicating his policy messages. Both of these studies suggest that diversification and fragmentation of the media are worthy topics of consideration that have heretofore been neglected by agenda-setting scholars.

Finally, readers should keep in mind that we do not differentiate between major national addresses, like the State of the Union address, and other types of public statements by the president. Addresses accompanied by more pomp and circumstance may, on average, draw more media attention and hence have greater effects on the agenda, as some previous analyses suggest (Cohen 1995). Perhaps the president's most reliable means of affecting the policy agenda is therefore the nationally televised address. Whatever the limitations this suggests, our findings bring into question the utility of presidents using minor speeches to affect the policy agenda. Differentiating between these two means of presidential communication provides an avenue for further inquiry.

Our central concern in this article has been to provide additional evidence about the president's agenda-setting ability. We demonstrate that presidents often have difficulty affecting the attention given to the economy by either the news media or Congress despite its importance to their political success and power. Moreover, we underscore that if the two conditions—presidential priority and a lack of prior issue salience—exist concurrently, presidents have a high probability of being able to influence the policy agenda. Because issue-varying impacts are commonplace in agenda setting, whether for domestic or foreign policy issues, testing these claims across other issue areas serves as our future research agenda.

## APPENDIX: ECONOMY KEYWORDS INDEX

<i>Public Papers of the Presidents</i>	<i>CIS Index</i>	<i>Vanderbilt TV News Archive</i>
Economy; Commerce	Economy;	Economy; Commerce
Deficit; Budget;	Budget Deficits or Surpluses;	Deficit; Budget;
Debt; Spending;	Foreign or Public Debt; Government Spending;	Debt; Spending;
Taxes;	Taxation;	Tax;
Unemployment; Employment;	Employment; Unemployment;	Unemployment;
Inflation; Interest Rates; Monetary Policy	Inflation; Interest Rates; Monetary Policy; Fiscal Policy;	Inflation; Interest Rates; Monetary; Fiscal
Business & Industry; Growth;	Gross National Product; Business Cycles;	Growth;
Recession;	Recession;	Recession;
Trade; Commerce-International; Economy-International; Country Name-US Trade	Tariffs; Trade Agreements; Foreign Trade; Balance of Trade;	International Commerce; Tariff; Trade;

Note: The keyword list used for the *Public Papers* include index headings and where appropriate, index subheadings. Index headings change from one administration to the next, so care was taken to be inclusive for each set of the *Papers*. For the *CIS Index* and *Vanderbilt TV News Archives* we relied upon electronic keyword searches. The *CIS Index* subject lists are very extensive. Because we wanted to capture all congressional hearings related to the economy, we used the extensive set of economy-related subject headings provided by *CIS*. Each keyword "hit" for all three sources was read by the coder to determine its relevance. Many "hits" were excluded because they were not germane to the economic issues addressed by the study.

Issue Areas: We disaggregated our counts into several different economic issue areas, to include attention to the economy overall, spending issues (taxes, budgets, spending, deficits, and debt), inflation and unemployment (including employment and interest rates), and international economic issues (including trade). The "all economic issues" category includes the sum of the other issues, plus economic issues not covered by the other categories, including but not limited to consumer spending, reports on economic indicators not covered by the other categories, economic growth, etc.

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