**Appendix**

Table A1 reports the descriptive statistics for the Index of Consumer Sentiment (ICS) and media tone along with the “extra-economic” versions of each. Figures A1 and A2 show how the predicted versions of the ICS and media tone compare to the actual, observed values. (Figure 2 in the main text shows the two extra-economic series.) Figure A3 shows the impulse response function results from the VAR models discussed in Footnote 16 of the main text.

As discussed in the main text, we constructed the extra-economic versions by first regressing ICS and media tone on a comprehensive set of economic indicators with lags 0, 1, and 2. To consider the possibility that the lag structure we used influenced our findings, we replicated the models in Table 1 and Table 2 with two additional lag structures (one lags 0 and 1, and another with lags 0, 1, 2, and 3).

In Table A2, for each of the three lag structures, the ICS and Tone columns show the Akaike’s information criterion (AIC) and Bayesian information criterion (BIC) for the “saturated” models of ICS and media tone, where we perform block F-tests on each dependent variable as a function of a range of economic indicators. The final column shows the resulting coefficients and standard errors from each lag specification when evaluating the relationship between “extra-economic” media tone and “extra-economic” ICS. The first row shows the results from the lag structure we employ in the paper (lags 0, 1, 2), with the AIC and BIC values apply to the results shown in Table 1, and the coefficient and standard error for “extra-economic” tone corresponding with the results shown in Table 2. The second and third rows show that neither of the other lag specifications produce consistently smaller AIC/BIC values. Note that the BIC penalizes more for over-fitting the data, which was our goal here, while the AIC selects a less parsimonious model. The “best” lag length choice is not clear from the diagnostics, making our choice of lag-length as sensible as the alternatives. Yet what is clear is that the decision has no practical consequence for the magnitude of the estimated effect of saturated tone on saturated ICS (the differences are statistically indistinguishable), nor does it affect our inference regarding the null hypothesis.

We also considered the possibility of including key political events and contexts in the model of extra-economic ICS (Table 2). Table A3 replicates the results of the same model shown in Table 2, but this time including those variables, following De Boef and Kellstedt (2004) and updated through 2014. The “events” variable captures major events, both positive and negative, that could affect consumer sentiment. The “election” variable is a counter variable that tracks the lead up to presidential elections, set at 0 except for the months of February to November during presidential election years, when it increases sequentially from 1 to 10 and then dropping back down to 1 in August the year following the election. The “election quarter” variable is binary, set at 1 during the months of the quarter surrounding each presidential election (October-December), and 0 otherwise. The “Democrat president” variable is binary, set at 1 during all periods when the president is a Democrat, and 0 otherwise. When we estimate the model, the parameter estimate for the effect of extra-economic media tone (.176) is almost identical to the one reported in Table 2 from the model that does not include the set of event variables (.187).

**Table A1. Descriptive Statistics, 1980-2014**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  | Obs | Mean | Std Dev | Min | Max |
| Index of Consumer Sentiment (ICS) | 420 | 85.82 | 12.82 | 51.7 | 112 |
|  |  |  |  |  |  |
| Tone of Economic News | 420 | 25.74 | 4.38 | 12.72 | 36.94 |
| “Extra-Economic” ICS | 410 | 0.00 | 5.03 | -18.59 | 14.01 |
| “Extra-Economic” Tone | 410 | 0.00 | 2.48 | -6.79 | 6.71 |
|  |  |  |  |  |  |

**Table A2. Evaluating Different Lag Lengths Used in Block F-Tests (Table 1) and the Resulting Effect of “Extra-Economic” Media Tone on “Extra-Economic” ICS (Table 2, Column 1)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Lags | ICS | | Tone | | Effect of “Extra-Economic” Media Tone on “Extra-Economic” ICS |
| AIC | BIC | AIC | BIC |
| 0, 1, 2 | 2606 | 2843 | 2025\* | 2262 | 0.187\*\*  (0.071) |
| 0, 1 | 2625 | 2786\* | 2039 | 2200\* | 0.248\*\*\*  (0.070) |
| 0, 1, 2, 3 | 2601\* | 2914 | 2050 | 2363 | 0.200\*\*  (0.070) |
|  | | | | | Standard errors in parentheses + p<0.10, \* *p* < 0.05, \*\* *p* < 0.01, \*\*\* *p* < 0.001 |

**Table A3. Modeling the Index of Consumer Sentiment (ICS) in Saturated Form, January 1980-April 2014, as a Function of Saturated Media Tone, Controlling for Events**

|  |  |
| --- | --- |
|  | “Extra-Economic” ICS |
| ICS (t-1) | 0.649\*\*\*  (0.038) |
| ICS (t-6) | 0.137\*\*\*  (0.039) |
| “Extra-Economic” Media Tone (t) | 0.176\*\*  (0.074) |
| Events | 1.557+  (0.819) |
| Election | 0.117  (0.072) |
| Election Quarter | -1.348  (0.912) |
| Democrat President | -0.138  (0.372) |
| Constant | -0.111  (0.267) |
| Observations  Cumby-Huizinga (12 Lags), p-value | 404  0.366 |
| *R*2 Adjusted  RMSE | 0.506  3.549 |

**Note:** The dependent variable is the residual series from the regression reported in Table 1, which purged the ICS series of its economic influences. Standard errors in parentheses + p<0.10, \* *p* < 0.05, \*\* *p* < 0.01, \*\*\* *p* < 0.001.

**Figure A1. The Observed Tone of Economic Media Coverage, and Tone as Predicted by Economic Performance Measures, 1980-2014.**

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**Figure A2. Observed Index of Consumer Sentiment (ICS), and ICS as Predicted by Economic Performance Measures, 1980-2014.**

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**Figure A3. Impulse Response Function Results from Vector Autoregression Models.**

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