Bad News Bearers:
The Negative Tilt of the Financial Press

Betty Liu*
Indiana University
Kelley School of Business

Marina Niessner
Indiana University
Kelley School of Business

Eric C. So
Massachusetts Institute of Technology
Sloan School of Management

October 2024

Abstract

We show that increased media coverage strongly predicts lower subsequently announced firm fundamentals, earnings surprises, and higher likelihoods of bankruptcy, dividend cuts, and delistings. Additionally, we find that media articles often convey negative sentiment, with investor attention increasing around the publication of negative articles, suggesting that the media tilts coverage toward negative events to drive readership. We also show that media coverage initially impedes price discovery for negative news through an attention effect, and that investors respond sluggishly to the negative signal embedded in media coverage decisions, leading to a gradual incorporation of the negative information into prices and return predictability.

JEL Classifications: G10, G11, G12, G14, M40, M41

*We thank Joey Engelberg, Diego Garcia, Raife Giovinazzo, Nick Guest, Heejin Ohn, Jesse Shapiro, Eugene Soltes, and Johannes Stroebel as well as seminar participants at York University, New York University (Stern), Yale University (SOM), UC Boulder, and Fuller-Thaler Asset Management.
Contact emails: bettyliu@iu.edu, mniessne@iu.edu, and eso@mit.edu

1. Introduction

The financial press plays a critical role in capital markets by serving as an informational intermediary among market participants. Recognition of this role has given rise to a substantial literature examining the influence of the financial press on various market outcomes including, but not limited to, investor attention, information asymmetries, and the efficiency of market prices (e.g., Solomon et al. (2014)). A central inference from this literature is that the press helps create, validate, and disseminate information to market participants.

Much of the prior research on the financial press takes media coverage as given and instead focuses on its impact on market outcomes. This focus has engendered a relative scarcity of research on the incentives that shape the amount and content of media coverage. As noted in Dougal et al. (2012), media coverage is often treated as stemming from a "faceless institution," rather than as a byproduct of utility-maximizing agents. Our study attempts to fill this void by studying the tilt in the media's selection process (i.e., the prioritization of certain stories) toward negative versus positive events, and its implications for price discovery.

Broadly speaking, one of the primary goals of this paper is to refine how researchers and market participants view media coverage. Specifically, we highlight the importance of separately considering two dimensions of media coverage: (1) what events the media chooses to cover, and (2) how events are portrayed when providing coverage. Whereas most prior research focuses on the latter, our study focuses on the former.

For some readers, the idea that the media prefers to cover more negative stories is intuitive and perhaps even conventional wisdom (e.g., the old adage "*If It Bleeds, It Leads*"). However, large-sample evidence documenting the media's preference for covering negative versus positive events remains elusive, in part, because doing so requires an objective benchmark against which to compare the media's actual selection process.

Prior research shows, for example, that there is more media coverage of violent crime than property crime relative to their base rates (e.g., Marsh (1991)), and that news outlets

are more likely to prioritize stories involving violence, conflict, or suffering (e.g., Johnson (1996)). However, in these contexts researchers lack the ability to observe the distribution of potentially covered events and/or objectively rank the underlying events in terms of their severity, which makes it unclear what media coverage would look like under the counterfactual where coverage is allocated without a directional tilt.

An important innovation of our paper is that our main tests study media coverage through the lens of prediction, rather than reaction. Specifically, we focus on the link between media coverage of publicly traded firms and cross-sectional variation in their *subsequently observed* earnings, actions, and risk-adjusted stock returns. This combination of prediction tests allows us to show that the media's story selection process is tilted toward negative events and, as a result, that the media's decision of which events to cover conveys novel negative information about firms' prospects. Moreover, our approach allows us to objectively rank firms in terms of their fundamentals and realized returns to empirically disentangle the sign of firms' performance (i.e., good vs. bad) from its intensity (i.e., significant vs. insignificant), which is unavailable in most other research settings.

Our central hypothesis is that the media is more likely to tilt its coverage toward negative events for two primary reasons. First, the media relies on readership to sustain its operations, and bad events may be viewed as more sensational and draw greater attention (e.g., Gieber (1955), Stone and Grusin (1984), Solomon et al. (2014)). This link may help explain why news outlets are drawn toward conflicts and violence (Campbell and Jamieson (2006)). Second, the media competes for the investing public's attention with alternative information sources, such as sell-side analysts and more recently social media, that are more likely to disseminate positive information (e.g., McNichols and O'Brien (1997), Lee and So (2017), Cookson and Niessner (2020)). Thus, we expect media coverage to tilt toward negative events and declining firm performance as these are likely more sensational, less covered by other sources, and therefore attract greater readership.

There are several sources of tension for our main hypothesis. First, there is evidence

that financial media may cater to firms' preferences by covering more positive news about them, thereby encouraging informational exchanges and/or advertising revenues (e.g., Besley and Prat (2006), Dyck and Zingales (2003), Reuter and Zitzewitz (2006), Gurun and Butler (2012), Solomon (2012)). Second, prior research shows the media tends to cover firms' management teams when their performance is strongest (e.g., Malmendier and Tate (2009)), suggesting the media may devote greater coverage to firms with more *positive* news events. Finally, to the extent that institutional frictions, such as short-sale costs, reduce the usefulness of negative news for informing trading decisions, the media may focus on positive information to cater to its target audience.

Our empirical tests rely on a sample of manually-collected information about articles from nine of the largest news outlets: Wall Street Journal Print Edition, New York Times, USA Today, Washington Post, Barron's, Financial Times, Reuters, The Times, and Wall Street Journal Online.[1] We match our news database to a broad cross-section of roughly 4,000 firms each quarter, spanning more than 250,000 firm-quarters.

We begin by empirically testing a central premise of our paper: the media faces economic incentives to tilt coverage toward negative events. To do so we use the help of large language models (LLMs) to analyze WSJ articles for which we have full-text access. We first show that WSJ articles tend to express negative sentiment, consistent with the media displaying a revealed preference for negative storylines. Additionally, we show that investor attention tends to increase around the publication of articles with more negative sentiment. Taken together, these results are consistent with the media tilting its coverage decisions toward negative events to drive readership.

Our first main set of tests shows that variation in media coverage foreshadows firms' subsequently announced earnings news. Specifically, greater media coverage negatively forecasts firms' seasonally-adjusted changes in earnings, profitability, or cash flows, despite media coverage being observed months before firms publicly announce earnings. Similarly, we show

[1]WSJ Online contains articles distinct from those in the WSJ Print Edition.

that media coverage foreshadows an increased likelihood of firms cutting dividends, declaring bankruptcy, and delisting from Nasdaq or NYSE, indicating that journalists tend to tilt their story selection process toward struggling firms. We further find that media coverage also has strong predictive power for expectation errors among market participants. For example, firms with high media coverage are significantly more likely to subsequently fall short of analysts' earnings forecasts and earn lower stock returns during their next earnings announcements. These results are especially pronounced for coverage by news outlets that tend to cater to more financially-oriented customers.

Remarkably, our results hold even when we condition on what is reported (i.e., the sentiment of the article). We confirm that article sentiment negatively forecasts many of the same negative firm outcomes as coverage intensity, which intuitively suggests that the media aligns the tone of the articles with the severity of firms' prospects. However, we also find that the amount of media coverage negatively forecasts firms' performance and expectation errors among market participants, incremental to, and more robustly than, article sentiment. The combination of these prediction-based results reinforces a central message of our paper: the media cultivates and produces negative information as part of its story selection process, and the *intensity* of media coverage is a negative signal regarding firms' prospects.

To further examine the media's coverage choices, we focus on the media's coverage of firms' earnings announcements, where we can observe the distribution of available information. We find that the media is more likely to cover events that are susceptible to negative storylines (e.g., negative earnings surprises). A particularly powerful feature of our earnings announcement tests is that we can look within subsamples of announcements that did not convey novel information. We separately examine announcements with either zero earnings surprise or where the firms' stock prices did not meaningfully move. Even among these "non-news" announcements, we still observe that the media is significantly more likely to cover firms reporting a loss (i.e., negative GAAP earnings), consistent with the media's story selection process favoring negative events.

We conclude the paper by examining the relationship between media coverage and stock returns, to better understand the market's reaction to the information conveyed by media attention. We first find that media articles tend to follow a string of negative weekly returns. The negative returns prior to news coverage are consistent with the media gravitating toward firms with deteriorating performance. These findings mitigate concerns that the media is covering firms whose stock has been bid up to unreasonable levels, similar to the episodes involving GameStop in January 2021, and are consistent with past returns helping the media narrow the set of candidate firms for coverage.

We furthermore find that, prices tend to rise around the news publication dates, consistent with an attention effect (Barber and Odean (2008)) that initially impedes price discovery for negative news. However, following the articles, returns continue to be negative and easily dwarf the positive returns around the publication date. Despite this initial price increase, higher levels of media coverage negatively predict *future* returns incrementally to the returns that precede the news coverage (i.e., predictability does not appear to reflect a simple momentum effect). Thus, while the adage of "*If It Bleeds, It Leads*" may be commonplace, our results suggest that market participants appear to only gradually incorporate the negative signal contained in the media coverage decisions into market prices. These results are especially pronounced for smaller firms. For the largest firms, the intensity of news coverage does not predict negative future returns, suggesting that news coverage for these firms more likely broadcasts information that is already reflected in market prices.

These results are consistent with prior research showing that investors tend to underreact to latent information signals contained in actions taken in response to incentives (e.g., Cohen et al. 2012; Lee and So 2017; Johnson and So 2018; Cohen et al. 2020). In our setting the actions reflect the media tilting its coverage toward firms with weaker future prospects to garner readership. However, the initial attention effect around the publication date and subsequent reversal provides an important point of differentiation of our findings relative to prior research. Specifically, our results indicate that the media influences asset pricing

dynamics on average by first creating an attention effect that, perhaps counterintuitively, initially delays the incorporation of negative information into prices.

Readers may be concerned about alternative explanations for our results. We demonstrate that while some alternative hypotheses can explain certain aspects of our findings, they fail to explain the entirety of our results. For example, the increase in prices around article publication dates could be driven by firms influencing the media towards writing positive articles, perhaps through advertising spending along the lines of Gurun and Butler (2012) and Solomon (2012). However, the solicitation hypothesis would struggle to explain our finding that the media is more likely to cover earnings announcements that are more susceptible to negative headlines, even in the absence of novel information. This would suggest that firms are more likely to solicit coverage when they report losses, which seems unlikely as doing so would amplify attention to their poor performance. Additionally, we show that the number of articles written about a firm correlates negatively with the sentiment of those articles, which is inconsistent with the media writing fluff pieces to prop up firms.

This study makes several important contributions to our understanding of the financial press and its role in capital markets. First, we provide large-sample evidence on the media's tendency to tilt coverage towards negative events, offering insights into the economic incentives that shape media coverage decisions. In doing so, we highlight the importance of distinguishing between two dimensions of media coverage: the decision of what to cover and how to portray it. While prior research has largely focused on the latter, we show that the former – the mere intensity of coverage – contains valuable information about firms' prospects, independent of the news sentiment.

Additionally, an important contribution of our paper is to establish that the intensity of media coverage simultaneously forecasts firms' subsequently announced fundamentals and actions, as well as future analyst-based surprises and stock returns. These findings suggest that the traditional media plays an important role in the ecosystem of financial markets by uncovering novel, negative information that is not yet in market prices. These results are

particularly important for future research studying the evolution of financial markets given the rapid decline in news readership and the number of journalists over the past two decades.

Finally, our study provides a more nuanced account of how media coverage relates to price discovery than shown in prior research. Our evidence suggests that investors appear to quickly price in the salient information contained in media coverage (i.e., the article content as measured by its sentiment), but only gradually price in the less salient fact that coverage decisions themselves contain novel negative information about firms' fundamentals. Moreover, our results suggest that media coverage can actually worsen price discovery through an immediate attention effect. Despite the disclosure of negative news, prices increase in the short-term and then gradually reverse over the course of several weeks before incorporating the negative information into prices. Thus, a central punchline of our paper is that investors are slow to price in the correlation between media coverage and firms' future cash flows, which results in media coverage forecasting both future negative earnings surprises *and* returns.

2. Data

We use Factiva.com (a business information tool owned by Dow Jones) to obtain data on news articles published in nine of the largest news outlets: Barron's, Financial Times (FT), The New York Times (NYT), Reuters, The Times, USA Today (USAT), the Washington Post (WP), The Wall Street Journal (WSJ), and the Wall Street Journal Online (WSJO) between 2001 and 2019 (the time period during which Factiva has consistent coverage of these news sources).[2] While these news outlets do not cover all national newspapers in the US and UK, they represent a broader range of sources compared to those typically examined in prior literature.[3] We collect the firms mentioned in the articles and the articles' publication

[2]WSJ, NYT, WP, and USAT are the top four newspapers by weekday circulation in the US, whereas The Times and FT have the highest and the fifth highest circulation, respectively of all daily newspapers in the UK: https://en.wikipedia.org/wiki/List_of_newspapers_in_the_United_States, and https://en.wikipedia.org/wiki/List_of_newspapers_in_the_United_Kingdom, accessed on September 5, 2024.

[3]NYT, USAT, WP, and WSJ as in Fang and Peress (2009), Gurun and Butler (2012), and Solomon et al. (2014).

dates. We match news articles to CRSP and COMPUSTAT and retain those with stock price and quarterly accounting data available. We then add in IBES data to construct variables pertaining to analyst forecasts.[4]

Table 1, Panel A presents summary statistics for media coverage in our main dataset. Overall, we have 320,215 firm-quarter observations covering 10,585 unique firms. The second and third columns show the distribution of firm-quarter observations by year and the percentage of those firm-quarters with at least one article in one of the news outlets in our sample, respectively. We have a total of 947,185 firm-article observations (if Factiva deems an article as being relevant to two firms, we count the article twice - once for each firm). The fourth column reports the annual number of firm-article observations, and the remaining columns show the breakdown by year and news outlet. Reuters has the most articles in our sample, while WSJ has the second most. The number of firm-related articles in Barron's, WSJ, and WSJO has declined in recent years, consistent with the Dow Jones' move to focus more on broader market analyses.[5]

Panel B shows how the average firm characteristics relate to the amount of media coverage firms receive. We sort the firm-quarter observations into terciles based on the number of articles about each firm during the quarter. On average, each quarter includes 2,955 firms that receive no coverage, 699 firms that receive a medium amount of coverage (1.43 articles per firm), and 559 firms that receive a high amount of coverage (20.4 articles per firm). Firms with a high level of coverage tend to be larger and exhibit higher average share turnover during the quarter, which is consistent with media coverage being associated with higher levels of trading (Barber and Odean (2008)). Additionally, we find that the intensity of media coverage has a weak negative correlation with past stock returns.

Panel C shows the distributions of the main variables in our firm-quarter observations. On average, a firm in our sample has approximately three articles written about it per quarter. Similar to what we observe in Panel B, the distribution of articles is highly skewed—many

[4]We use the vintage of the IBES unadjusted consensus file available on WRDS as of January 18, 2021.
[5]http://www.journalism.org/2011/07/20/wall-street-journal-under-rupert-murdoch/.

firms receive no media coverage, while others receive substantial coverage.

To conduct textual analysis of media articles, we obtain textual data for WSJ articles published during our sample period of 2001-2019. This sample comprises 232,521 distinct articles that cover 9,434 firms across the sample period. For each article, we collect its title, content, date of publication, and the firm(s) discussed.

3. Content and Incentives of News Media

3.1. Content Analysis of Wall Street Journal News Articles

First, we provide descriptive evidence on the content and sentiment of news articles using the WSJ sample, where we are able to examine the text of the articles. We leverage newly available access to large language models (LLMs) via API calls to OpenAI's GPT-4o mini model to conduct content analysis. Specifically, we prompt the model to score the sentiment of all WSJ articles matched to firms in our sample on a scale ranging from 1 (very negative) to 9 (very positive). We also ask the model to report which topics are covered in the articles. Our methodology for prompting OpenAI's API is detailed in Appendix A.

Figure 1(a) provides the distribution of WSJ articles by sentiment scores. WSJ articles frequently carry a negative tone, with a sentiment score of 3 out of 9 being the most prevalent – by a notable margin. The large representation of articles with a sentiment score of 3 is consistent with the media favoring negative storylines in its news selection process.

For comparison, we collect all articles posted on a popular social media platform Seeking Alpha that are written about the firms in our sample and score their sentiment using the procedure described above. Appendix Figure A1 presents the sentiment distribution of Seeking Alpha articles. We find that the most frequently occurring sentiment score for Seeking Alpha articles is 7 out of 9, indicating a strong positive tilt. The contrast between the sentiment distributions of WSJ and Seeking Alpha articles is consistent with traditional media displaying a revealed preference for negative storylines.

Figure 1(b) depicts the percentage of WSJ articles that cover five non-mutually exclusive

topics: Financial Performance and Market Dynamics ($fincoverage$), Industry Trends and External Factors ($industrycoverage$), Corporate Strategy and Governance ($strategycoverage$), Regulatory Environment and Legal Landscape ($regcoverage$), and Innovation and Technological Advancement ($innovationcoverage$). We find that the most popular topic pertains to financial performance, consistent with the media cultivating novel negative information useful to accessing firms' future cash flows. Additionally, industry news ranks as a close second, consistent with the WSJ being a business-oriented newspaper.

3.2. Incentives to Cover Negative News

"*If It Bleeds, It Leads*" has been a long-standing mantra in the journalism world.[6] Scientific evidence from various contexts supports the notion that individuals are more likely to react to negative news.[7] To the extent that readership is a key driver of news media revenue, news outlets are incentivized to cater to the general preference for negative information.

To provide evidence that negative news articles attract more attention from *investors*, we examine posts on two of the biggest financial social media platforms: Seeking Alpha and StockTwits (Cookson et al. (2024)). In particular, we estimate the following model at the daily level:

$$\begin{aligned} Investor\ Attention_{i,t} &= \alpha + \beta_1 \log(Articles_{i,t} + 1) + \beta_2 Sentiment_{i,t} + \gamma_1 AbRet_{i,t} \\ &+ \delta Controls_{i,t} + \epsilon_{i,t}, \end{aligned} \quad (1)$$

where $Investor\ Attention_{i,t}$ is one of two measures: the number of articles on Seeking Alpha and the number of messages on StockTwits about firm i on day t. $Articles_{i,t}$ is the number of articles in the WSJ about firm i on day t, and $Sentiment_{i,t}$ is the average sentiment of those articles. To help ensure that our results are not driven by underlying news, we control

[6] https://www.psychologytoday.com/us/blog/two-takes-depression/201106/if-it-bleeds-it-leads-understanding-fear-based-media

[7] For example, Vaish et al. (2008) examines why, from an evolutionary and developmental standpoint, individuals are more drawn to negative information. Robertson et al. (2023) shows that individuals are more likely to click on negative headlines, and Soroka et al. (2019) finds that this tendency holds across different countries. Arango-Kure et al. (2014) shows that magazine covers with negative language are more likely to sell. Trussler and Soroka (2014) demonstrates in a laboratory setting that the tilt towards negative news is demand-driven rather than supply-driven.

for the abnormal return on day t, as well as recent price volatility, past cumulative abnormal returns, and whether the firm filed an 8-K or announced earnings on that day.

Table 2 presents the results. Columns (1) and (3) show that investor attention tends to increase around the publication of WSJ news articles. In columns (2) and (4), we control for the average sentiment of the articles and find that the effect is particularly strong for articles with negative sentiment. We note that, while our evidence is not causal, it is consistent with negative news attracting more clicks and readership from investors, which creates economic incentives for media outlets to tilt their coverage toward more negative storylines.

4. Media Coverage and Firm News

Prior literature links media coverage to firms' negative expected returns based on the idea that the media attracts attention from individual investors, which lowers expected returns by raising awareness of the stock's existence and improving liquidity (e.g., Fang and Peress (2009)). However, another non-mutually-exclusive explanation is that the media tilts its coverage toward negative news. In this case, high media coverage negatively predicts returns due to investors incorporating signals about the deterioration in firms' fundamental performance with a lag. In this section we examine the relationship between media coverage during the quarter and information disclosed at the end of the quarter, focusing on measures of firm fundamentals, firm actions (e.g., changes in dividend policies), and expectation errors among market participants around earnings announcements (e.g., analyst forecast misses).

4.1. Media Coverage and Firm Fundamentals

First, we test whether firms' pre-announcement media coverage forecasts levels and changes in their fundamentals disclosed during earnings announcements. Specifically, we estimate the following model at the firm-quarter level:

$$\begin{aligned} Firm\ Fundamentals_{i,q} &= \alpha + \beta_1 \log(Articles_{i,q} + 1) + \gamma_1 Size_{i,q} + \gamma_2 LBM_{i,q} \\ &+ \gamma_3 Momentum_{i,q} + \gamma_4 Turnover_{i,q} + \delta Controls_{i,q} + \epsilon_{i,q}, \end{aligned} \tag{2}$$

where $Firm\ Fundamentals_{i,q}$ are measured by levels and changes in earnings, return on assets, gross profits, and cash flows from operations. $Articles_{i,q}$ is the number of articles published during the quarter about firm i. We control for the size, book-to-market ratio, momentum, and turnover of the firm. We also control for the number of the firm's managerial guidance, press releases, and 8-Ks filings during the quarter,[8] to mitigate concerns that our results are driven by the media covering the increasing number of disclosures from underperforming firms rather than the media's conscious decision to tilt its coverage towards negative news.

The results in Table 3, Panel A show that the number of articles during the quarter negatively predicts the levels and year-on-year changes in firm fundamentals disclosed at the end of the quarter. These findings are consistent with the media tilting its coverage toward firms experiencing declining fundamental performance.

Next, we re-estimate Eq. (2) using the number of WSJ articles as media coverage and adding the average sentiment of these articles as an additional independent variable. The results in Panel B of Table 3 show that negative article sentiment also helps forecast negative firm outcomes, suggesting that the tone of the articles aligns with the severity of firms' prospects. More importantly, we find that the amount of media coverage negatively forecasts firms' performance *incremental* to article sentiment, which supports a central message in our paper: the *intensity* of media coverage is a negative signal regarding firms' prospects, beyond the contents of the articles.

4.2. Media Coverage and Firm Actions

Next, we examine whether firms' pre-announcement media coverage forecasts negative actions taken by those companies. Specifically, we re-estimate Eq. (2) but focus on several major firm-level actions as dependent variables: the levels and changes in dividend cuts, bankruptcies, or delistings.

[8] 8-K fillings are designed to force timely disclosure of negative information (e.g., Lerman and Livnat (2010) and Noh et al. (2019)).

Panel A of Table 4 shows that firms that receive more media coverage during the quarter are more likely to announce a decrease in their dividend, delist, or declare bankruptcy at the end of the quarter. These results that media coverage can forecast these actions *ahead* of firms announcing them to the public are especially striking, since we control for firms' momentum and thus recent stock market performance. In Panel B, we re-estimate our model with the inclusion of the sentiment variable on the sample of hand-collected WSJ articles. Again, we find that the intensity of media coverage forecasts subsequently announced negative firm actions, incremental to the sentiment of the articles.

4.3. Media Coverage and Expectation Errors

The next set of tests is designed to address potential concerns that our findings thus far are driven by the media reporting stale information (e.g., Tetlock (2011)). Specifically, we examine whether the intensity of media coverage negatively predicts expectation errors among market participants.

In columns (1) and (2) of Table 5, we re-estimate Eq. (2) but use changes in firms' analyst-based earnings surprises as the dependent variable. In Panel A, we find a highly significant negative relation between firms' pre-announcement media coverage and analysts' forecasts expectation errors. This relationship holds even after controlling for the average sentiment of the articles in Panel B. The fact that analyst forecasts fail to reflect the information content of the media coverage decisions is consistent with a long literature showing that analyst-based surprises often occur because analysts are not sufficiently incentivized to provide accurate earnings forecasts (e.g., Kothari et al. 2016), face pressure to prop up the firms they cover, and because their compensation depends very weakly, if at all, on forecast accuracy (e.g., Groysberg et al. 2011). Additionally, the results in Table 5 are unlikely to be driven by the media simply covering negative returns, as we control for momentum contemporaneous to the media coverage in our regressions.[9]

[9]In Appendix Tables A1 and A2 we show that our main results in Tables 3-5 are robust to only using $Size$, LBM, $Momentum$, and $Turnover$ as control variables, to using an alternative $Size$ measure defined as percentile ranks by market capitalization, and to the inclusion of fixed effects based on the decile of retail

In columns (3) and (4) of Table 5 Panel B, we provide the first set of evidence that news coverage intensity also predicts firms' future stock returns. Columns (3) and (4) also shows that while coverage intensity robustly predicts earnings announcement returns incremental to article sentiment, the opposite is not true (i.e., sentiment fails to predict returns). This contrast suggests that investors appear to price in the salient information contained in media coverage (i.e., the article content as measured by its sentiment) but only gradually price in the less salient fact that coverage decisions themselves contain novel negative information about firms' fundamentals.

4.4. Financial versus Non-Financial Coverage

If readership incentives lead the media to tilt coverage toward negative stories, we expect investor-oriented news sources to cover news about underperforming businesses more than news sources that are trying to appeal to general audiences. To test this hypothesis, we augment Eq. (2) to allow for separate measures for media coverage from financially-oriented (Barron's, FT, NYT, Reuters, WSJ, and WSJO) and non-financially-oriented (The Times, USAT, and WP) news sources.

We first repeat the analyses from Panels A in Tables 3, 4, and 5 and present the results in Table 6, Panels A, C, and E, respectively. We find that the predictive relationship between news coverage intensity and negative firm outcomes is predominantly driven by financial news outlets. This evidence supports the notion that news sources with a stronger focus on investors are more inclined to publish narratives that attract investor attention.

Next, to ensure that our results are not driven by our classification of outlets, we repeat these analyses on our sample of WSJ articles, partitioned by whether the articles cover financial news. Specifically, using topic classifications derived from LLMs (as described in Section 3.1), we separately analyze the effect of WSJ articles that discuss "Financial Performance and Market Dynamics" versus those that do not. Panels B, D, and F of Table 6 corroborate the inference that the negative predictability of the media coverage is primarily

holdings percentage.

driven by financial news about the firms.

4.5. Sentiment Prediction

Next, we show that the intensity of media coverage is negatively related to the sentiment expressed in the articles. In Table 7 column (1), we re-estimate Eq. (2) using the average sentiment of WSJ articles during the quarter as our dependent variable. We find a negative relation between coverage intensity and average article sentiment, which helps reinforce our central inference that the media tilts its story selection process toward negative news. Similarly, results in columns (2) and (3) demonstrate that increased pre-earnings announcement media coverage correlates with both more articles written about the firm around the announcement dates and more negative sentiment in those articles.[10] Together, these findings suggest that there is persistence in the sentiment of media articles, which dovetails nicely with our findings that market prices only gradually reflect the information content of the media's coverage decisions.

5. Media Tilt around Earnings Announcements

In this section, we conduct two tests to examine more directly whether the media is more likely to cover negative events relative to positive ones. A central challenge in assessing whether the media favors negative storylines is the difficulty of observing the distribution of potential information production and/or objectively ranking the underlying events in terms of their negativity. We overcome this challenge by focusing on media coverage and earnings news of publicly traded firms, as all public firms have to report earnings. This allows us to simultaneously observe the distribution of potentially covered firms, objectively rank firms in terms of their fundamental performance, and empirically disentangle the sign of their reported performance (i.e., good vs. bad) from its intensity (i.e., significant vs. insignificant).

[10]We focus on the three days surrounding firms' earnings announcements to be consistent with a broad literature measuring announcement returns.

5.1. Documenting the Negative Tilt

In our first set of tests, we examine the cross-sectional relation between firms' earnings news and media coverage during their earnings announcements. Specifically, we estimate the following regression model at the firm-quarter level:

$$\begin{aligned} \log(Articles_{i,q}+1) &= \alpha + \beta_1 \mathbb{1}_{(SUE<0)_{i,q}} + \gamma_1 Size_{i,q} + \gamma_2 LBM_{i,q} \\ &+ \gamma_3 Momentum_{i,q} + \gamma_4 Turnover_{i,q} + \delta Controls_{i,q} + \epsilon_{i,q} \end{aligned} \tag{3}$$

where $Articles_{i,q}$ is number of articles in our main sample about firm i from $t-1$ to $t+1$, where t is the announcement date. $\mathbb{1}_{(SUE<0)}$ is an indicator variable for whether the standardized unexpected earnings (SUE) are negative.

We estimate Eq. (3) in Column (1) of Table 8 and find that the media writes more articles in response to disappointing earnings, consistent with the media tilting coverage toward negative news.[11] We are mindful that our proxies for earnings surprise may not fully capture the importance of the news. Even with the same absolute surprise, negative earnings might convey more information than positive earnings (e.g., Kothari et al. (2009)). Therefore, we add controls for firms' returns and turnover reactions in the months surrounding their announcements, as the quantity of information in earnings should eventually manifest in prices and trading volume. Specifically, we re-estimate Eq. (3) in Column (2) using the wider windows of returns and turnover as controls and find that the media is more likely to cover earnings announcements conveying declining earnings.

Next, we refine the model in Eq. (3), by interacting the sign of the earnings surprise with its size. This approach allows us to control for the absolute value of the earnings news. Specifically, we estimate the following model:

$$\begin{aligned} \log(Articles_{i,q}+1) &= \alpha + \beta_1 \mathbb{1}_{(SUE<0)_{i,q}} + \beta_2 \mathbb{1}_{(SUE<0)_{i,q}} \times |SUE| \\ &+ \beta_3 |\text{SUE}|_{i,q} + \gamma_1 Size_{i,q} + \gamma_2 LBM_{i,q} + \gamma_3 Momentum_{i,q} \\ &+ \gamma_4 Turnover_{i,q} + \delta Controls_{i,q} + \epsilon_{i,q} \end{aligned} \tag{4}$$

[11] Appendix Table A3 shows that our results are robust to estimating the model using Poisson regressions and redefining SUE using two alternative measures for earnings expectations.

The results are presented in columns (3) and (4) of Table 8. We find that β_2 is significantly positive, suggesting that controlling for the absolute value of the earnings news, the media is more likely to cover negative news rather than positive news. In other words, this implies that a surprise of -0.3, for example, receives more media coverage than a surprise of 0.3. These findings corroborate our main hypothesis that the media favors negative news, even when we control for the distribution of available information and its significance.

5.2. Information in Earnings Announcements

A potential concern with the above analysis is that negative surprises may be more informative to investors, perhaps reflecting firms withholding or delaying bad news (e.g., Kothari et al. (2009), Goldman et al. (2022)). Under this alternative, the media gravitates to more informative stories that happen to be negative.

A particularly powerful feature of our earnings announcement tests is that we can look within the subsample of announcements that fall in line with market expectations, which implies the absence of novel information in the earnings news. In Table 9, we re-estimate Eq. (3) but replace $\mathbb{1}_{(SUE<0)}$ with an indicator for whether the firm reported negative GAAP earnings. We conduct these tests on three separate subsamples that use different proxies for the lack of novel news at earnings announcements. In column (1) we focus on firms who achieved the same seasonally-adjusted earnings as the prior fiscal year, in column (2) on firms whose earnings matched the analyst consensus forecast, and in column (3) on firms whose stock prices did not meaningfully move post-announcement (i.e., whose absolute value of earnings announcement returns is within one standard deviation of the trailing 60-day returns). Across all subsamples of "non-news" announcements, we continue to observe that the media is significantly more likely to cover firms that report a loss (i.e., negative GAAP earnings), consistent with the media's story selection process favoring events with negative storylines, even if the information content of the events is the same.

6. Information in Media Coverage

In this section, we explore the relationship between media coverage and stock returns to shed light on the nuanced process through which media coverage decisions shape price discovery.

6.1. Media Coverage and Return predictability

First, we use calendar-time return tests to examine whether the intensity of media coverage contains *novel* information regarding firms' prospects. In particular, we estimate the following model using Fama-MacBeth regressions:

$$\begin{aligned} Returns_{i,m+1} &= \alpha + \beta_1 \log(Articles_{i,m} + 1) + \gamma_1 Size_{i,m} + \gamma_2 LBM_{i,m} \\ &+ \gamma_3 Momentum_{i,m} + \gamma_4 Gross\ Profit_{i,m} \\ &+ \gamma_5 Short\text{-}term\ Returns_{i,m} + \gamma_6 EA_{i,m} + \epsilon_{i,m} \end{aligned} \tag{5}$$

where $Returns_{i,m+1}$ is firm i's return in month $m+1$, and $Articles_{i,m}$ is the number of articles in our main sample published about firm i in month m. We control for the characteristics underlying the Fama-French 5 factor model plus momentum and include an indicator for earnings announcements in month m.

Table 10 presents the results. In column (1) we estimate Eq. (5) using only the factors of the Fama French 3-Factor model plus momentum, and in column (2) we augment the model to include all Fama-French 5 factors plus momentum and control for earnings announcements. Both specifications show that increased media coverage forecasts negative future returns. These results are consistent with our earlier findings that the media tends to focus more on firms with declining operating performance and does not simply reflect a momentum effect. Furthermore, in the Appendix Table A5 we find that investors appear to price in quickly the salient information contained in media coverage (i.e., the article content as measured by its sentiment), but only gradually price in the less salient fact that coverage decisions themselves contain novel negative information about firms' fundamentals.

In columns (3)-(4) of Table 10 we focus on firms in the bottom and top three deciles by

firm size, respectively, and in columns (5)-(6) we partition our sample by below and above median analyst coverage, respectively. These subsample results indicate that the negative return predictability is concentrated primarily in smaller firms and firms with low analyst coverage. These firms have more opaque information environments and are more likely to have inattentive investors.[12] In light of earlier evidence that media coverage negatively forecasts firm fundamentals, these return-based tests suggest that news coverage likely predicts returns due to an underreaction to news rather than to risk factor exposure as argued in Fang and Peress (2009).

6.2. Event-time Returns Graphs

A potential alternative explanation for our findings in Table 10 is that the media tends to cover firms whose stock prices have been bid up to unreasonable levels, similar to the episodes involving GameStop in January 2021. In this case, our results that media coverage predicts future negative returns could just be capturing the reversal of the overreaction.

To further understand the return patterns, we examine abnormal weekly returns in event-time relative to news coverage dates. Specifically, we estimate the following model at the firm-week level:

$$\begin{aligned} AbRet_{i,w+j} &= \alpha + \beta_1 \log(Articles_{i,w=0} + 1) + \gamma_1 EA_{i,w=0} \\ &+ \gamma_2 \log(Articles_{i,w+j} + 1) + \epsilon_{i,w+j} \end{aligned} \tag{6}$$

$AbRet_{i,w+j}$ is the abnormal weekly return for firm i for week $w+j$, where j ranges from $[-10, +10]$, and $Articles_{i,w=0}$ is the amount of media coverage about the firm in week $w = 0$. We control for whether the firm has an earnings announcement in week $w = 0$ and media coverage levels of firm i in week $w + j$. In Figure 2(a) we plot the β_1 coefficients for each week, as well as the 95% confidence intervals. Figure 2(b) contains analogous results using cumulative abnormal returns starting from week $w = 0$, and adding a control for weekly

[12] In Appendix Table A4 we show that our results are robust to using an alternative *Size* definition defined as percentile ranks by market capitalization and to using additional fixed effects based on the decile of retail holdings percentage.

abnormal returns on week $w-1$. In Figure 3, we plot these two figures constructed in the same manner for a subsample of small firms in (a) and (b) and of large firms in (c) and (d).

The graphs in Figures 2 and 3 show that media articles generally follow a series of negative weekly returns for all firms. This pattern aligns with the media's tendency to focus on firms with worsening performance, and is consistent with past returns helping the media narrow the set of candidate firms for coverage. These findings mitigate concerns that our results are driven by media coverage of firms with inflated stock prices.

Figure 2(a) also shows that, on the week of the articles' publication, we observe a modest positive return on average. This is likely attributable to the attention effect of the articles documented in Barber and Odean (2008). Following the articles, returns continue to drift downwards, easily dwarfing the positive returns around the publication dates, as demonstrated in the cumulative return graph in Figure 2 (b).[13] These results suggest that the media's decision on which firms to cover provides new negative information that is not subsumed by past returns. Figure 3 shows that these results are primarily concentrated among smaller firms, which is consistent with our findings in Table 10.

To summarize, we find that media coverage influences asset pricing dynamics by first creating an attention effect that distorts price discovery by delaying the incorporation of negative news into prices. Additionally, we find that media coverage negatively predicts future returns, beyond the predictive power of the returns preceding the news coverage. This suggests that market participants seem to only gradually incorporate the negative signal contained in the media coverage decisions into market returns, which results in return predictability.[14] We further find that, for the largest firms, the intensity of news coverage does not predict future falling stock prices, suggesting that news coverage for these firms more likely broadcasts information that is already reflected in market prices.

[13] Appendix Table A6 shows that the negative coefficient on the cumulative returns for weeks $[w+1,w+10]$ greatly outweigh the positive coefficients on the week $w=0$ returns for all but the very large firms.

[14] These results appear to reflect a similar underlying mechanism as noted in prior research where investors under-react to latent information signals by the actions that people take in response to their incentives (e.g., Cohen et al. 2012; Lee and So 2017; Johnson and So 2018; Cohen et al. 2020), which in this case reflects the media tilting its coverage toward firms with weaker future prospects to garner readership.

The positive short-term market response to news coverage could be consistent with an alternative hypothesis, that firms try to solicit positive coverage, when they are underperforming. However, at least two of our findings suggest that this is unlikely to be the explanation. First, this hypothesis would struggle to explain our finding in Table 9 that the media is more likely to cover earnings announcements that are more susceptible to negative storylines, even in the absence of novel information. This would imply that firms solicit coverage when they face losses, which would increase attention to their negative performance. Second, Table 7 shows that the number of articles written about a firm correlates negatively with the sentiment of those articles, which is inconsistent with the media tilting their coverage positively to appease the firms.

7. Conclusion

Our large-sample study shows that increased media coverage predicts worse firm outcomes, including declining fundamentals, negative earnings surprises, and higher probabilities of dividend cuts, bankruptcies, and delistings. An important innovation of our paper is that we examine media coverage through the lens of prediction rather than reaction. Furthermore, our finding that the media is more likely to cover negative earnings surprises, even after controlling for the information content in the announcement, allows us to hold fixed the amount and type of available information.

Our findings have important implications for our understanding of financial markets and the role of the media. We demonstrate that the media plays a complementary role to short-sellers by conveying novel negative information not yet reflected in market prices through increased coverage. Additionally, we provide a more nuanced account of how media coverage relates to price discovery by showing that it can initially worsen price efficiency through an attention effect before gradually incorporating the negative information into prices. These findings highlight the importance of considering the media's decisions on both what to cover and how to portray it when studying the impact of the media on financial markets.

References

Arango-Kure, M., M. Garz, and A. Rott (2014). Bad news sells: The demand for news magazines and the tone of their covers. *Journal of Media Economics 27*(4), 199–214.

Barber, B. M. and T. Odean (2008). All that glitters: The effect of attention and news on the buying behavior of individual and institutional investors. *Review of Financial Studies 21*(2), 785–818.

Besley, T. and A. Prat (2006). Handcuffs for the grabbing hand? media capture and government accountability. *The American Economic Review 96*(3), 720–736.

Campbell, K. K. and K. H. Jamieson (2006). *The interplay of influence: News, advertising, politics, and the Internet*. 6th edition Belmont, CA: Thomson Wadsworth, c2006. xx, 384 p.: illustrations; 25 cm.

Cohen, L., C. Malloy, and Q. Nguyen (2020). Lazy prices. *The Journal of Finance 75*(3), 1371–1415.

Cohen, L., C. Malloy, and L. Pomorski (2012). Decoding inside information. *The Journal of Finance 67*(3), 1009–1043.

Cookson, J. A., W. Mullins, and M. Niessner (2024). Social media and finance. *Oxford Research Encyclopedia of Economics and Finance*.

Cookson, J. A. and M. Niessner (2020). Why don't we agree? evidence from a social network of investors. *The Journal of Finance 75*(1), 173–228.

Dougal, C., J. Engelberg, D. Garcia, and C. A. Parsons (2012). Journalists and the stock market. *Review of Financial Studies 25*(3), 639–679.

Dyck, A. and L. Zingales (2003). The media and asset prices. Technical report, Working Paper, Harvard Business School.

Fang, L. and J. Peress (2009). Media coverage and the cross-section of stock returns. *The Journal of Finance 64*(5), 2023–2052.

Gieber, W. (1955). Do newspapers overplay 'negative' news? *Journalism & Mass Communication Quarterly 32*(3), 311–318.

Goldman, E., J. Martel, and J. Schneemeier (2022). A theory of financial media. *Journal of Financial Economics 145*(1), 239–258.

Groysberg, B., P. M. Healy, and D. A. Maber (2011). What drives sell-side analyst compensation at high-status investment banks? *Journal of Accounting Research 49*(4), 969–1000.

Gurun, U. G. and A. W. Butler (2012). Don't believe the hype: Local media slant, local advertising, and firm value. *The Journal of Finance 67*(2), 561–598.

Johnson, R. N. (1996). Bad news revisited: The portrayal of violence, conflict, and suffering on television news. *Peace and Conflict: Journal of Peace Psychology 2*(3), 201.

Johnson, T. L. and E. C. So (2018). Time will tell: Information in the timing of scheduled earnings news. *Journal of Financial and Quantitative Analysis 53*(6), 2431–2464.

Kothari, S., E. C. So, and R. S. Verdi (2016). Analysts? forecasts and asset pricing: A survey. *Annual Review of Financial Economics 89*(5 (October)), 1579–1607.

Kothari, S. P., S. Shu, and P. D. Wysocki (2009). Do managers withhold bad news? *Journal of Accounting Research 47*(1), 241–276.

Lee, C. M. and E. C. So (2017). Uncovering expected returns: Information in analyst coverage proxies. *Journal of financial economics 124*(2), 331–348.

Lerman, A. and J. Livnat (2010). The new form 8-k disclosures. *Review of Accounting Studies 15*, 752–778.

Malmendier, U. and G. Tate (2009). Superstar ceos. *The Quarterly Journal of Economics 124*(4), 1593–1638.

Marsh, H. L. (1991). A comparative analysis of crime coverage in newspapers in the united states and other countries from 1960–1989: A review of the literature. *Journal of Criminal Justice 19*(1), 67–79.

McNichols, M. and P. C. O'Brien (1997). Self-selection and analyst coverage. *Journal of Accounting Research 35*, 167–199.

Noh, S., E. C. So, and J. P. Weber (2019). Voluntary and mandatory disclosures: Do managers view them as substitutes? *Journal of Accounting and Economics 68*(1), 101243.

Reuter, J. and E. Zitzewitz (2006). Do ads influence editors? advertising and bias in the financial media. *The Quarterly Journal of Economics 121*(1), 197–227.

Robertson, C. E., N. Pröllochs, K. Schwarzenegger, P. Pärnamets, J. J. Van Bavel, and S. Feuerriegel (2023). Negativity drives online news consumption. *Nature Human Behaviour 7*(5), 812–822.

Solomon, D. H. (2012). Selective publicity and stock prices. *The Journal of Finance 67*(2), 599–638.

Solomon, D. H., E. Soltes, and D. Sosyura (2014). Winners in the spotlight: Media coverage of fund holdings as a driver of flows. *Journal of Financial Economics 113*(1), 53–72.

Soroka, S., P. Fournier, and L. Nir (2019). Cross-national evidence of a negativity bias in psychophysiological reactions to news. *Proceedings of the National Academy of Sciences 116*(38), 18888–18892.

Stone, G. C. and E. Grusin (1984). Network tv as the bad news bearer. *Journalism and Mass Communication Quarterly 61*(3), 517.

Tetlock, P. C. (2011). All the news that's fit to reprint: Do investors react to stale information? *Review of Financial Studies 24*(5), 1481–1512.

Trussler, M. and S. Soroka (2014). Consumer demand for cynical and negative news frames. *The International Journal of Press/Politics 19*(3), 360–379.

Vaish, A., T. Grossmann, and A. Woodward (2008). Not all emotions are created equal: the negativity bias in social-emotional development. *Psychological bulletin 134*(3), 383.

Appendix A

ChatGPT's OpenAI API to Analyze WSJ Articles

In this study, we utilized ChatGPT's OpenAI API (specifically the GPT-4o mini model) to systematically analyze a large dataset of Wall Street Journal (WSJ) articles. The dataset included both the titles and bodies of the articles.

Process Overview

1. **Data Preparation**:
   - The dataset contained the titles and bodies of WSJ articles, structured in a JSON format.
   - Each entry in the dataset was iteratively passed through the OpenAI API.
2. **API Looping**:
   - We implemented a Python script to loop over each article in the dataset.
   - The script utilized the OpenAI API (GPT-4o mini model) to generate a response for each article's title and body.
3. **Prompt Design**: A specific prompt was crafted to ensure consistency and relevance in the generated responses. The full prompt used is as follows:

   "Your task is to separately evaluate the sentiment of the entire article and the title. Also, you are to determine whether the entire article covers certain topics. Follow these steps:

   1. Sentiment Analysis: Analyze the overall sentiment of the article on a scale from 1 to 9, where: 1: Very strongly negative 2: Strongly negative 3: Moderately negative 4: Slightly negative 5: Neutral 6: Slightly positive 7: Moderately positive 8: Strongly positive 9: Very strongly positive

2. Title Sentiment Analysis: Do the same sentiment analysis for the title of the article, with the same scoring system as mentioned, but just for the title only.

3. Topic Coverage: Determine whether the article covers each of the following topics (1 if covered, 0 if not covered):

a) Financial Performance and Market Dynamics: Earnings reports, stock performance, market analysis, and broader economic impacts on publicly traded companies.

b) Corporate Strategy and Governance: Leadership changes, M&A activity, business plans, and corporate governance issues including ESG practices.

c) Regulatory Environment and Legal Landscape: Regulatory compliance, legal issues, antitrust matters, and how the legal framework impacts public companies.

d) Innovation and Technological Advancement: Product launches, R&D efforts, technological innovations, and digital transformation initiatives in public companies.

e) Industry Trends and External Factors: Sector-specific trends, economic conditions, geopolitical impacts, and other external factors affecting publicly listed firms.

4. Output Format: Provide your analysis in JSON format with the following structure: "Sentiment": [1-9 score], "TitleSentiment": [1-9 score], "FinCoverage": [0 or 1], "StrategyCoverage": [0 or 1], "RegCoverage": [0 or 1], "InnovationCoverage": [0 or 1], "IndustryCoverage": [0 or 1], "EarningsAnnouncement": [0 or 1]

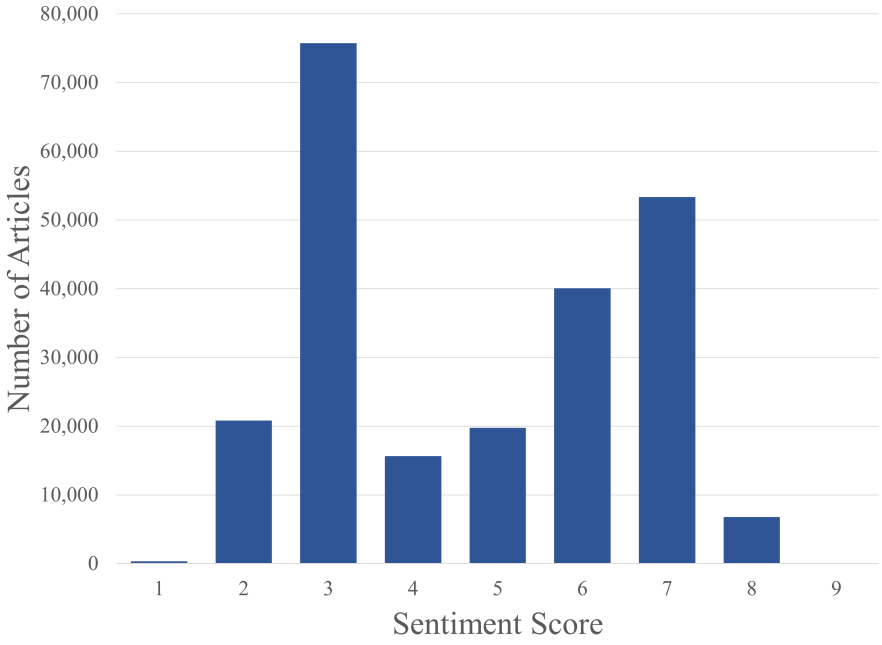
Now, analyze the provided article and output your results in the specified JSON format. Before providing the final JSON output, explain your reasoning for the sentiment score and topic coverage in a brief paragraph. Then, present the JSON output."

4. The {title} and {body} placeholders were dynamically replaced with the actual title and body of each WSJ article during the looping process.

Figure 1. Sentiment and Topics for WSJ Articles

In this figure, we analyze the sentiment and topics of WSJ articles using the GPT-4o mini model as described in Appendix A. Figure (a) depicts a frequency distribution of articles by *Sentiment*, a number on a nine-point scale where 1 (9) is the most negative (positive) sentiment. Figure (b) depicts the percentage of WSJ articles that cover five non-mutually exclusive topics: Financial Performance and Market Dynamics (*fincoverage*), Industry Trends and External Factors (*industrycoverage*), Corporate Strategy and Governance (*strategycoverage*), Regulatory Environment and Legal Landscape (*regcoverage*), and Innovation and Technological Advancement (*innovationcoverage*).

(a) Distribution of Article Sentiment



(b) Distribution of Topics

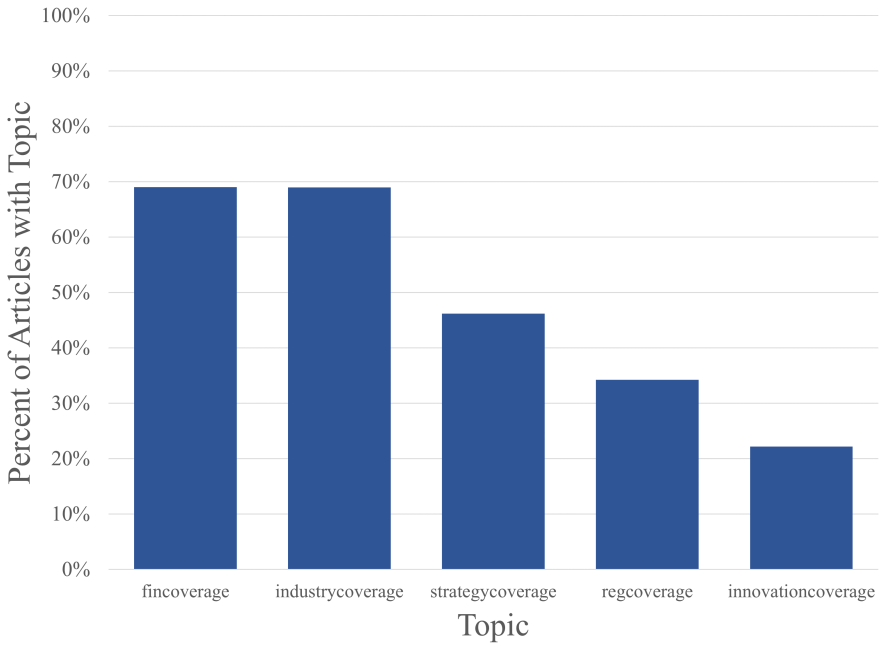
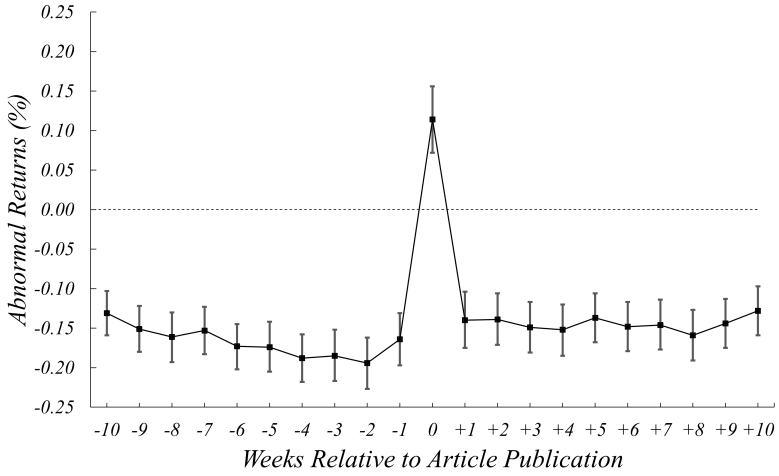


Figure 2. Weekly Abnormal Returns around Article Publication

In this figure, we examine the weekly abnormal returns surrounding the publication of news articles. In Figure (a), we run weekly regressions of weekly abnormal returns from week $w-10$ to $w+10$ on $Log(Articles+1)$ in week $w=0$ and plot the coefficients and 95% confidence intervals in event time relative to article publication. Weekly abnormal returns are adjusted using the Fama-French 3-factor model plus the momentum factor, multiplied by 100. $Log(Articles+1)$ is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO). Control variables are EA, an indicator for whether there is an earnings announcement on week $w=0$, and $Log(Articles+1)$ the week of the abnormal returns if $w \neq 0$. In Figure (b), we run 11 weekly regressions of cumulative abnormal returns from week $w=0$ to $w+10$ on $Log(Articles+1)$ in week $w=0$ and plot the coefficients and 95% confidence intervals in event time relative to article publication. Cumulative weekly abnormal returns are weekly abnormal returns aggregated from $w=0$. Control variables are EA, an indicator for whether there is an earnings announcement on week $w=0$, $Log(Articles+1)$ summed from week $w+1$ for weeks $w \neq 0$, and the weekly abnormal returns on week $w-1$. We include week and size decile fixed effects. Standard errors are clustered at the week level.

(a) All Firms - Weekly Abnormal Returns



(b) All Firms - Cumulative Abnormal Returns

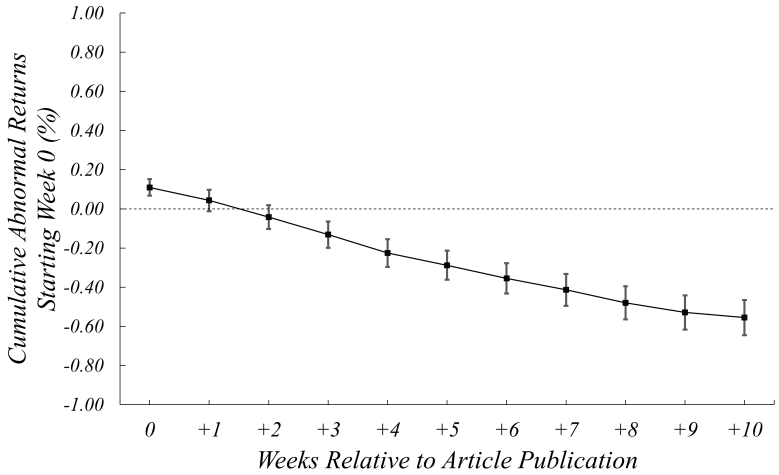
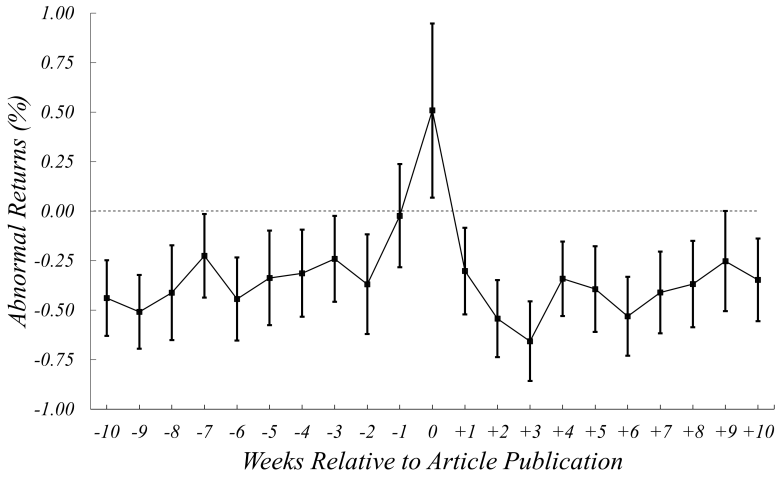


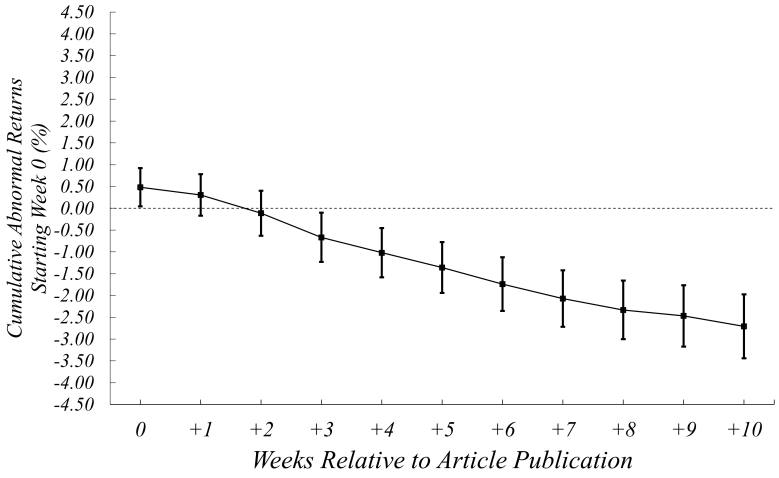
Figure 3. Weekly Abnormal Returns around Article Publication by Firm Size

In this figure, we examine the weekly abnormal returns surrounding the publication of news articles in subsamples formed by firm size. Figures (a) and (b) use firms in the lower three size deciles, and Figures (c) and (d) use the firms in the upper three size deciles.Figures (a) and (c) are formed using the specification in Figure 2(a). Figures (b) and (d) are formed using the specification in Figure 2(b).

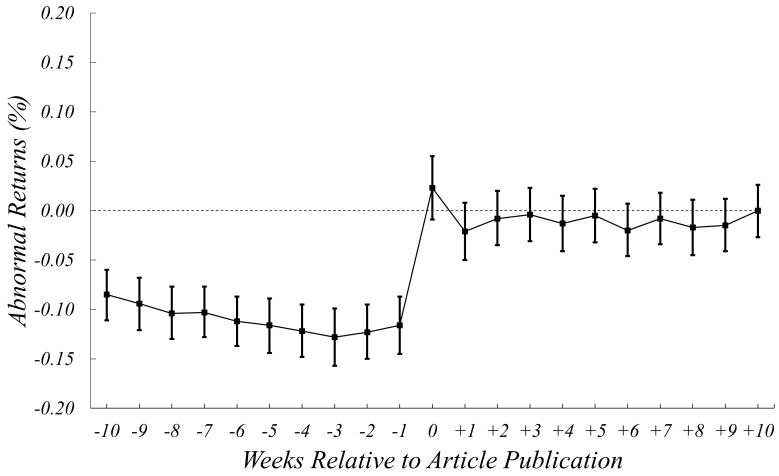
(a) Small Firms - Weekly Abnormal Returns



(b) Small Firms - Cumulative Abnormal Returns



(c) Large Firms - Weekly Abnormal Returns



(d) Large Firms - Cumulative Abnormal Returns

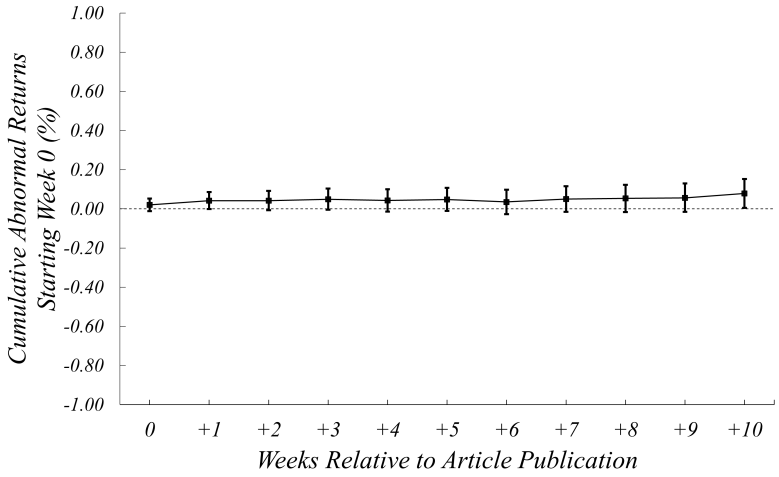


Table 1. Summary Statistics

Panel A presents the summary statistics of media coverage in our main dataset. The second column displays how many firm-quarters are in our sample per year. The third column displays the percentage of those firm-quarters that have at least one article written about the firm in one of nine news sources: Barron's, the Financial Times (FT), the New York Times (NYT), Reuters, The Times, USA Today (USAT), Washington Post (WP), the Wall Street Journal Print Edition (WSJ), and the Wall Street Journal Online (WSJO). The fourth column shows the total number of firm-article observations (if an article is relevant to three firms, it will be counted three times toward this number), and fifth through thirteenth columns show the breakdown of those firm-article observations by individual news source.

Panel A: Summary Statistics of Media Coverage by Year

Year	Firm-quarters	News %	All	Barron's	FT	NYT	Reuters	The Times	USAT	WP	WSJ	WSJO
2001	20,425	29.27%	58,356	188	1,969	5,267	38,544	796	909	2,081	8,575	27
2002	19,465	37.95%	78,271	1,560	1,413	7,473	40,254	614	1,119	5,104	20,700	34
2003	18,758	33.06%	67,165	1,368	2,235	5,043	34,844	762	922	5,944	16,011	36
2004	18,684	26.16%	47,040	333	2,126	6,861	22,997	878	1,267	3,940	8,616	22
2005	18,136	28.01%	41,617	613	1,707	4,861	20,817	841	1,009	3,522	8,221	26
2006	17,921	31.57%	43,154	189	1,737	3,873	20,689	797	1,068	3,387	11,387	27
2007	17,772	29.60%	39,078	167	2,109	4,237	19,378	542	1,316	2,324	8,636	369
2008	17,217	25.21%	39,154	405	2,509	3,989	15,203	548	1,131	1,999	12,037	1,333
2009	16,129	30.39%	52,145	538	1,970	3,600	12,658	777	1,016	1,288	11,002	19,296
2010	16,119	34.18%	63,037	866	1,959	3,145	12,183	1,740	955	1,302	12,354	28,533
2011	15,989	29.96%	61,902	788	2,016	3,162	11,861	1,327	891	1,394	12,036	28,427
2012	15,560	28.08%	46,651	876	2,073	3,362	11,787	1,090	914	1,782	9,203	15,564
2013	15,536	22.71%	39,260	641	1,918	3,368	9,679	1,196	1,241	1,760	8,275	11,182
2014	15,761	25.53%	45,079	320	1,936	3,454	12,443	1,257	1,186	1,672	6,988	15,823
2015	15,757	24.77%	42,776	205	1,735	3,420	15,140	1,322	1,327	1,333	5,938	12,356
2016	15,491	30.87%	44,845	193	1,408	2,965	17,450	1,500	1,622	1,128	5,465	13,114
2017	15,355	34.95%	44,444	293	1,339	2,508	21,845	1,932	1,267	1,054	4,651	9,555
2018	15,204	31.88%	42,110	273	3,200	2,398	20,192	1,933	834	1,304	4,925	7,051
2019	14,936	32.22%	42,922	203	3,184	1,822	22,864	1,844	506	1,311	4,427	6,761

Panel B displays average firm characteristics across terciles of media coverage each quarter, where firms that received zero coverage are placed in the lowest tercile and the remaining firms are sorted based on whether they are above or below the median non-zero media coverage for that quarter. Panel C displays summary statistics of our main variables at the firm-quarter level defined relative to the earnings announcement day t. *Articles* is the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO) between $t-55$ and $t-5$. *Size* is the log of market capitalization measured on day $t-10$. LBM is the log of one plus the firm's book-to-market ratio using market capitalization on $t-10$ and the firm's most recent book value from Compustat quarterly. $Momentum$ is the firm's cumulative market-adjusted return over the fifty trading days ending on $t-10$. $Turnover$ is the average ratio of trading volume to shares outstanding over the fifty trading days ending on $t-10$. ΔEPS is defined as the year-on-year change in earnings per share. ROA is defined as the net income scaled by total assets. $Gross\ Profit$ is defined as revenue minus COGS, scaled by total assets. $Cash\ Flow\ from\ Ops$ is defined as cash flow from operations scaled by shares outstanding. *Dividends* is defined as dividends per share. For ROA, $Gross\ Profit$, $Cash\ Flow\ from\ Ops$, and *Dividends*, Δ is defined as the year-on-year change. *Delisting Dummy* is defined as 1 if a firm is delisted from Nasdaq/NYSE as identified in CRSP, and 0 otherwise. *Bankruptcy Dummy* is defined as 1 if a firm files for bankruptcy as indicated by an 8-K filing, and 0 otherwise. We multiply the Delisting and the Bankruptcy indicator variables by 100 for exhibition purposes. $\mathbb{1}(Short\ of\ analyst\ forecasts)$ is defined as 1 if the earnings fall short of analyst forecasts, and 0 otherwise. $SURP$ is defined as the firm's earnings per share minus the consensus median analyst earnings forecast on $t-5$, scaled by beginning of quarter price. The raw and market-adjusted earnings announcement window returns are calculated over the window $t-1$ to $t+1$. SUE is standardized unexpected earnings computed as the firm's earnings per share minus the earnings per share one year prior, scaled by beginning of quarter price.

Panel B: Mean Statistics by News Tercile

	Firms	Articles	Size	LBM	Momentum	Turnover
Low News	2,955	0.000	12.559	0.558	0.000	0.069
Mid	699	1.435	13.701	0.499	-0.002	0.103
High News	559	20.451	15.342	0.530	-0.004	0.153
High-Low		20.451	2.783	-0.028	-0.004	0.083
(t-statistic)		(50.346)	(64.443)	(-2.910)	(-1.382)	(6.633)

Panel C: Summary Statistics of Main Variables

	Mean	STD	P5	P25	P50	P75	P95
Articles	2.931	18.591	0.000	0.000	0.000	0.921	9.625
Size	13.107	2.000	9.975	11.678	13.047	14.438	16.563
LBM	0.543	0.590	0.065	0.261	0.440	0.656	1.317
Momentum	-0.001	0.211	-0.268	-0.102	-0.015	0.074	0.295
Turnover	0.085	0.434	0.005	0.023	0.051	0.094	0.230
ΔEPS	-0.002	0.034	-0.089	-0.009	0.001	0.008	0.072
ROA	-0.306	3.883	-12.121	-0.484	0.496	1.690	4.562
Δ ROA	-0.032	76.859	-6.683	-0.818	-0.014	0.654	6.374
Gross Profit (GP)	7.113	6.042	-2.822	2.444	6.320	10.743	20.425
Δ GP	-0.117	2.421	-5.762	-1.077	-0.020	0.921	5.108
Cash Flow from Ops. (CFO)	1.737	33.532	-1.052	0.005	0.695	1.912	5.558
Δ CFO	0.047	0.949	-2.096	-0.331	0.029	0.426	2.213
Dividends per share (DIS)	0.219	0.355	0.000	0.000	0.005	0.307	1.232
Δ DIS	0.015	0.068	-0.123	0.000	0.000	0.016	0.202
Delisting Dummy x 100	0.545	6.399	0.000	0.000	0.000	0.000	0.000
Bankruptcy Dummy x 100	0.013	0.660	0.000	0.000	0.000	0.000	0.000
𝟙(Short of analyst forecasts)	0.330	0.469	0.000	0.000	0.000	0.987	1.000
SURP	0.004	0.609	-1.668	-0.104	0.038	0.216	1.239
Raw EA Window Returns	0.134	9.431	-13.847	-3.976	-0.007	3.981	14.190
Mkt-Adj. EA Window Returns	0.000	0.092	-0.136	-0.039	-0.001	0.037	0.137
SUE	0.075	1.057	-1.946	-0.582	0.062	0.741	2.087

Table 2. Daily Attention Articles and Negative News

This table examines whether the sentiment in media coverage is correlated with attention from the market at the daily level. *SeekingAlpha Count* is the log of one plus the number of articles on Seeking Alpha about the firm on day t. *StockTwits Count* is the log of one plus the number of posts on StockTwits about the firm on day t. $Log(Articles + 1)$ is the log of one plus the number of articles about the firm in the Wall Street Journal on day t. *Sentiment* is a number on a nine-point scale, where 1 (9) is the most negative (positive) sentiment, determined by prompting the GPT-4o mini model to assign a sentiment score to each article. $AbRet_t$ is the firm's abnormal returns on day t adjusted using the Fama-French 3-factor model plus the momentum factor, multiplied by 100. $Volatility_{(t-5,t-1)}$ is the standard deviation of abnormal returns between $t-5$ and $t-1$. $CAR_{t-5,t-1}$ is the cumulative abnormal return between days $t-5$ and $t-1$ multiplied by 100, and $CAR_{t-20,t-6}$ is the cumulative abnormal return between days $t-20$ and $t-6$ multiplied by 100. $8K\ Day$ is an indicator for whether the firm filed at least one 8-K form on day t. $EA\ Day$ is an indicator for whether the firm had an earnings announcement on day t. We include firm and day fixed effects. Standard errors are clustered at the firm and day level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

	SeekingAlpha Count		StockTwits Count	
	(1)	(2)	(3)	(4)
Log(Articles + 1)	0.178***	0.178***	0.553***	0.550***
	(0.021)	(0.021)	(0.047)	(0.046)
Sentiment		-0.002***		-0.015***
		(0.001)		(0.004)
AbRet_t	-0.001***	-0.001***	0.003	0.004
	(0.000)	(0.000)	(0.003)	(0.003)
$\text{Volatility}_{t-5,t-1}$	0.935***	0.928***	10.322***	10.255***
	(0.129)	(0.129)	(1.158)	(1.153)
$\text{CAR}_{t-5,t-1}$	-0.117***	-0.112***	-0.550***	-0.502***
	(0.024)	(0.023)	(0.189)	(0.187)
$\text{CAR}_{t-20,t-6}$	-0.021*	-0.020*	-0.156	-0.140
	(0.012)	(0.012)	(0.117)	(0.116)
8K Day	0.033***	0.033***	0.399***	0.399***
	(0.007)	(0.007)	(0.030)	(0.030)
EA Day	0.206***	0.206***	1.517***	1.513***
	(0.022)	(0.022)	(0.060)	(0.060)
Observations	106,671	106,671	57,555	57,555
R^2	0.350	0.350	0.762	0.762
Firm & Day FEs	Yes	Yes	Yes	Yes

Table 3. Media Coverage and Firm Fundamentals

In this table, we examine whether the amount of media coverage and its sentiment during the quarter forecast firm fundamentals. All variables are defined at the firm-quarter level relative to the earnings announcement day t. In Panel A, $Log(Articles + 1)$ is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO) between $t - 55$ and $t - 5$. In Panel B, $Log(Articles + 1)$ is the log of one plus the number of articles about the firm in the Wall Street Journal between $t - 55$ and $t - 5$. *Sentiment* is the average sentiment score of articles counted in $Log(Articles + 1)$. The sentiment score is a number on a nine-point scale, where 1 (9) is the most negative (positive) sentiment, determined by prompting the GPT-4o mini model to assign a sentiment score to each article. We assign a neutral sentiment (i.e., *Sentiment*=5) to firm-quarters without any media publications and standardize *Sentiment* for ease of interpretation. ΔEPS is the year-on-year change in earnings per share. *ROA* is defined as the net income scaled by total assets. *Gross Profit* is defined as revenue minus COGS, scaled by total assets. *Cash Flow from Ops* is defined as cash flow from operations scaled by shares outstanding. For all *ROA*, *Gross Profit*, and *Cash Flow from Ops*, Δ is defined as the year-on-year change. *Size* is the log of market capitalization measured on day $t-10$. *LBM* is the log of one plus the firm's book-to-market ratio using market capitalization on $t - 10$, and the firm's most recent book value from Compustat quarterly. *Momentum* is the firm's cumulative market-adjusted return over the fifty trading days ending on $t - 10$. *Turnover* is the average ratio of trading volume to shares outstanding over the fifty trading days ending on $t - 10$. $8K$ is the number of 8-K forms filed by the firm during the quarter. *Guidance* is the number of managerial guidances issued by the firm during the quarter. *Press Releases* is the number of press releases issued by the firm during the quarter. We include firm, quarter, and size decile fixed effects. Standard errors are clustered at the firm and quarter level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

Panel A: Full Sample

	Δ EPS (1)	ROA (2)	Δ ROA (3)	Gross Profit (4)	Δ Gross Profit (5)	Cash Flow from Ops. (6)	Δ Cash Flow from Ops. (7)
Log(Articles + 1)	-0.002***	-0.256***	-0.498**	-0.162***	-0.110***	-0.573	-0.025***
	(0.000)	(0.019)	(0.217)	(0.021)	(0.015)	(0.594)	(0.005)
Size	-0.005***	0.662***	0.025	-0.147**	-0.346***	1.260	0.021
	(0.001)	(0.053)	(0.509)	(0.065)	(0.041)	(0.843)	(0.014)
LBM	-0.031***	-1.222***	-4.978***	-2.529***	-0.812***	-0.998	-0.110***
	(0.008)	(0.142)	(0.935)	(0.117)	(0.050)	(1.187)	(0.014)
Momentum	0.008***	0.022	-1.368	0.388***	0.753***	-0.325*	0.074***
	(0.001)	(0.078)	(1.442)	(0.067)	(0.062)	(0.181)	(0.013)
Turnover	0.000	0.039***	0.070	0.015***	-0.004	0.029	-0.003
	(0.000)	(0.008)	(0.052)	(0.004)	(0.012)	(0.041)	(0.002)
Log(Guidance+1)	-0.001**	0.057*	-0.159	0.121***	-0.078**	-0.042	-0.008
	(0.000)	(0.032)	(0.258)	(0.038)	(0.029)	(0.253)	(0.009)
Log(8K+1)	-0.002***	-0.131***	-0.718	-0.124***	-0.093***	0.159	-0.016**
	(0.000)	(0.020)	(0.475)	(0.025)	(0.014)	(0.217)	(0.006)
Log(Press Releases+1)	-0.000	-0.061***	-0.504	-0.054***	-0.009	-0.173	-0.004
	(0.000)	(0.015)	(0.390)	(0.020)	(0.013)	(0.125)	(0.003)
Observations	319,835	319,835	319,452	281,816	280,607	306,475	301,296
R^2	0.147	0.630	0.234	0.801	0.102	0.370	0.046
Firm & Quarter FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Panel B: WSJ Sample

	Δ EPS (1)	ROA (2)	Δ ROA (3)	Gross Profit (4)	Δ Gross Profit (5)	Cash Flow from Ops. (6)	Δ Cash Flow from Ops. (7)
Sentiment	0.001***	0.052***	0.043	0.035***	0.046***	-0.038***	0.011***
	(0.000)	(0.007)	(0.181)	(0.008)	(0.006)	(0.013)	(0.003)
Log(Articles + 1)	-0.002***	-0.220***	-0.586	-0.066**	-0.063***	-0.088*	-0.022**
	(0.001)	(0.025)	(0.376)	(0.029)	(0.015)	(0.049)	(0.009)
Size	-0.004***	0.618***	0.316	-0.076	-0.336***	0.487***	0.028
	(0.001)	(0.054)	(0.710)	(0.076)	(0.043)	(0.131)	(0.017)
LBM	-0.030***	-1.247***	-3.705***	-2.536***	-0.767***	0.199**	-0.131***
	(0.009)	(0.160)	(0.872)	(0.133)	(0.052)	(0.083)	(0.016)
Momentum	0.009***	0.044	-0.300	0.423***	0.875***	-0.168***	0.092***
	(0.001)	(0.096)	(1.690)	(0.089)	(0.067)	(0.059)	(0.016)
Turnover	0.000	0.041***	0.070*	0.012**	-0.001	-0.006**	-0.002
	(0.000)	(0.007)	(0.039)	(0.005)	(0.010)	(0.003)	(0.002)
Log(Guidance+1)	-0.001**	0.051	-0.486**	0.110***	-0.080**	-0.278***	-0.010
	(0.000)	(0.032)	(0.195)	(0.040)	(0.030)	(0.047)	(0.009)
Log(8K+1)	-0.002***	-0.158***	-0.507	-0.148***	-0.101***	-0.038	-0.016**
	(0.000)	(0.022)	(0.311)	(0.027)	(0.014)	(0.050)	(0.007)
Log(Press Releases+1)	-0.000**	-0.089***	-0.006	-0.076***	-0.021	-0.039	-0.005
	(0.000)	(0.017)	(0.139)	(0.023)	(0.014)	(0.036)	(0.004)
Observations	240,286	240,286	240,025	218,755	217,882	233,593	230,262
R^2	0.141	0.567	0.233	0.794	0.078	0.396	0.038
Firm & Quarter FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table 4. Media Coverage and Firm Actions

In this table, we examine whether the amount of media coverage and its sentiment during the quarter forecast firm actions. All variables are defined at the firm-quarter level relative to the earnings announcement day t. In Panel A, $Log(Articles + 1)$ is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO) between $t - 55$ and $t - 5$. In Panel B, $Log(Articles + 1)$ is the log of one plus the number of articles about the firm in the Wall Street Journal between $t - 55$ and $t - 5$. *Sentiment* is the average sentiment score of articles counted in $Log(Articles + 1)$. The sentiment score is a number on a nine-point scale, where 1 (9) is the most negative (positive) sentiment, determined by prompting the GPT-4o mini model to assign a sentiment score to each article. We assign a neutral sentiment (i.e., *Sentiment*=5) to firm-quarters without any media publications and standardize *Sentiment* for ease of interpretation. Δ *Dividends* denotes year-on-year changes in dividends per share. *Delisting Dummy* is defined as 1 if a firm is delisted from Nasdaq/NYSE as identified in CRSP, and 0 otherwise. *Bankruptcy Dummy* is defined as 1 if a firm files for bankruptcy as indicated by an 8-K filing, and 0 otherwise. We multiply the Delisting and the Bankruptcy indicator variables by 100 for exhibition purposes. *Size* is the log of market capitalization measured on day $t-10$. *LBM* is the log of one plus the firm's book-to-market ratio using market capitalization on $t - 10$, and the firm's most recent book value from Compustat quarterly. *Momentum* is the firm's cumulative market-adjusted return over the fifty trading days ending on $t - 10$. *Turnover* is the average ratio of trading volume to shares outstanding over the fifty trading days ending on $t - 10$. $8K$ is the number of 8-K forms filed by the firm during the quarter. *Guidance* is the number of managerial guidances issued by the firm during the quarter. *Press Releases* is the number of press releases issued by the firm during the quarter. We include firm, quarter, and size decile fixed effects. Standard errors are clustered at the firm and quarter level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

Panel A: Full Sample

	Dividends per share (1)	Δ Dividends per share (2)	Bankruptcy Dummy × 100 (3)	Delisting Dummy × 100 (4)
Log(Articles + 1)	-0.007*	-0.004***	0.018**	0.116***
	(0.004)	(0.001)	(0.008)	(0.028)
Size	0.037***	0.007***	-0.041***	-0.658***
	(0.008)	(0.001)	(0.014)	(0.107)
LBM	0.001	-0.008***	-0.013	-0.554***
	(0.007)	(0.002)	(0.021)	(0.111)
Momentum	-0.027***	-0.003*	-0.004	-0.262***
	(0.007)	(0.002)	(0.016)	(0.091)
Turnover	-0.000	0.000	-0.000	-0.008
	(0.000)	(0.000)	(0.000)	(0.005)
Log(Guidance+1)	-0.031***	-0.001	-0.002	-0.126**
	(0.005)	(0.001)	(0.009)	(0.054)
Log(8K+1)	-0.007**	-0.001*	0.010	0.824***
	(0.003)	(0.001)	(0.010)	(0.082)
Log(Press Releases+1)	-0.004*	-0.000	-0.006	-0.042
	(0.002)	(0.000)	(0.004)	(0.026)
Observations	319,835	317,832	319,835	319,835
R^2	0.654	0.173	0.052	0.079
Firm & Quarter FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Panel B: WSJ Sample

	Dividends per share (1)	Δ Dividends per share (2)	Bankruptcy Dummy × 100 (3)	Delisting Dummy × 100 (4)
Sentiment	-0.004***	-0.000	-0.005*	-0.033**
	(0.001)	(0.000)	(0.003)	(0.015)
Log(Articles + 1)	-0.020***	-0.006***	0.013	0.077*
	(0.005)	(0.001)	(0.014)	(0.044)
Size	0.028***	0.006***	-0.031***	-0.459***
	(0.009)	(0.002)	(0.011)	(0.106)
LBM	-0.004	-0.009***	-0.015	-0.345***
	(0.007)	(0.002)	(0.025)	(0.098)
Momentum	-0.029***	-0.004*	-0.023*	-0.260***
	(0.009)	(0.002)	(0.013)	(0.093)
Turnover	-0.000	0.000	-0.000	-0.006
	(0.000)	(0.000)	(0.000)	(0.005)
Log(Guidance+1)	-0.030***	-0.001*	-0.009	-0.132**
	(0.005)	(0.001)	(0.009)	(0.055)
Log(8K+1)	-0.006**	-0.001*	0.015	0.834***
	(0.003)	(0.001)	(0.011)	(0.088)
Log(Press Releases+1)	-0.002	0.000	-0.004	-0.027
	(0.003)	(0.000)	(0.005)	(0.030)
Observations	240,286	239,004	240,286	240,286
R^2	0.650	0.170	0.034	0.069
Firm & Quarter FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Table 5. Media Coverage and Expectation Errors

In this table, we examine whether the amount of media coverage and its sentiment during the quarter predicts expectation errors among market participants. All variables are defined at the firm-quarter level relative to the earnings announcement day t. In Panel A, $Log(Articles+1)$ is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO) between $t-55$ and $t-5$. In Panel B, $Log(Articles+1)$ is the log of one plus the number of articles about the firm in the Wall Street Journal between $t-55$ and $t-5$. *Sentiment* is the average sentiment score of articles counted in $Log(Articles+1)$. The sentiment score is a number on a nine-point scale, where 1 (9) is the most negative (positive) sentiment, determined by prompting the GPT-4o mini model to assign a sentiment score to each article. We assign a neutral sentiment (i.e., *Sentiment*=5) to firm-quarters without any media publications and standardize *Sentiment* for ease of interpretation. $\mathbb{1}(Short\ of\ analyst\ forecasts)$ is defined as 1 if the earnings fell short of analyst forecasts, and 0 otherwise. $SURP$ is defined as the firm's earnings per share minus the consensus median analyst earnings forecast on day $t-5$ scaled by beginning of quarter price. The raw and market-adjusted earnings announcement window returns are calculated over the window $t-1$ to $t+1$. *Size* is the log of market capitalization measured on day $t-10$. LBM is the log of one plus the firm's book-to-market ratio using market capitalization on $t-10$, and the firm's most recent book value from Compustat quarterly. $Momentum$ is the firm's cumulative market-adjusted return over the fifty trading days ending on $t-10$. $Turnover$ is the average ratio of trading volume to shares outstanding over the fifty trading days ending on $t-10$. $8K$ is the number of 8-K forms filed by the firm during the quarter. *Guidance* is the number of managerial guidances issued by the firm during the quarter. *Press Releases* is the number of press releases issued by the firm during the quarter. We include firm, quarter, and size decile fixed effects. Standard errors are clustered at the firm and quarter level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

Panel A: Full Sample

	1(Short of analyst forecasts) (1)	Analyst base-surprise (SURP) (2)	Raw EA window returns (3)	Mkt-adjusted EA window returns (4)
Log(Articles + 1)	0.018***	-0.020***	-0.104***	-0.001***
	(0.002)	(0.005)	(0.039)	(0.000)
Size	-0.002	-0.061***	-1.349***	-0.013***
	(0.006)	(0.013)	(0.124)	(0.001)
LBM	0.121***	-0.395***	-0.773***	-0.008***
	(0.012)	(0.105)	(0.170)	(0.002)
Momentum	-0.118***	0.161***	-0.022	-0.000
	(0.011)	(0.020)	(0.180)	(0.002)
Turnover	0.029*	-0.062*	-0.007	-0.000
	(0.015)	(0.033)	(0.019)	(0.000)
Log(Guidance+1)	-0.022***	0.014	0.536***	0.005***
	(0.005)	(0.009)	(0.088)	(0.001)
Log(8K+1)	0.016***	-0.021***	-0.061	-0.001
	(0.003)	(0.006)	(0.061)	(0.001)
Log(Press Releases+1)	0.004*	-0.006	0.035	0.000
	(0.002)	(0.004)	(0.035)	(0.000)
Observations	186,252	186,252	319,835	319,835
R^2	0.153	0.147	0.062	0.056
Firm & Quarter FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Panel B: WSJ Sample

	1(Short of analyst forecasts) (1)	Analyst base-surprise (SURP) (2)	Raw EA window returns (3)	Mkt-adjusted EA window returns (4)
Sentiment	-0.008***	0.007***	-0.018	-0.000
	(0.001)	(0.002)	(0.021)	(0.000)
Log(Articles + 1)	0.008**	-0.018**	-0.106**	-0.001***
	(0.004)	(0.008)	(0.048)	(0.000)
Size	-0.005	-0.055***	-1.051***	-0.010***
	(0.007)	(0.011)	(0.127)	(0.001)
LBM	0.117***	-0.382***	-0.673***	-0.007***
	(0.013)	(0.106)	(0.197)	(0.002)
Momentum	-0.128***	0.166***	0.169	0.002
	(0.012)	(0.018)	(0.216)	(0.002)
Turnover	0.046**	-0.085**	0.008	0.000
	(0.019)	(0.040)	(0.013)	(0.000)
Log(Guidance+1)	-0.022***	0.012	0.552***	0.005***
	(0.005)	(0.008)	(0.088)	(0.001)
Log(8K+1)	0.016***	-0.020***	-0.074	-0.001
	(0.004)	(0.006)	(0.064)	(0.001)
Log(Press Releases+1)	0.007***	-0.007*	0.032	0.000
	(0.002)	(0.003)	(0.041)	(0.000)
Observations	153,561	153,561	240,286	240,286
R^2	0.141	0.128	0.050	0.042
Firm & Quarter FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Table 6. Media Coverage: Difference between Financial and Non-Financial Coverage

In this table, we examine whether media coverage from business-focused sources forecasts future firm outcomes differently than coverage from non-business-focused sources. In Panels A and B, the dependent variables are future firm fundamentals; in Panels C and D, future firm actions; and in Panels E and F, expectation errors among market participants. The dependent variables are defined in Tables 3, 4, and 5. All variables are defined at the firm-quarter level relative to the earnings announcement day t. In Panels A, C, and E, we categorize media sources into business-focused and non-business-focused outlets. *Fin Media* is the log of one plus the number of articles about the firm in Barron's, FT, NYT, Reuters, WSJ, and WSJO between $t-55$ and $t-5$. *Non-Fin Media* is the log of one plus the number of articles about the firm in The Times, USAT, and WP between $t-55$ and $t-5$. In Panels B, D, and F, we use the GPT-4o mini model on our sample of WSJ articles to assess whether each article discusses financial topics or not. *Fin Cov* is the log of one plus the number of WSJ articles that discuss the topic "Financial Performance and Market Dynamics" between $t-55$ and $t-5$. *Non-Fin Cov* is the log of one plus the number of WSJ articles about the firm that do not discuss the topic "Financial Performance and Market Dynamics" between $t-55$ and $t-5$. Controls are the same as those in Tables 3, 4, and 5. We include firm, quarter, and size decile fixed effects. Standard errors are clustered at the firm and quarter level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

Panel A: Firm Fundamentals - Full Sample

	Δ EPS	ROA	Δ ROA	Gross Profit	Δ Gross Profit	Cash Flow from Ops.	Δ Cash Flow from Ops.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Fin Media	-0.002***	-0.256***	-0.353**	-0.155***	-0.114***	-0.717	-0.024***
	(0.000)	(0.019)	(0.169)	(0.021)	(0.016)	(0.717)	(0.005)
Non-Fin Media	0.000	-0.052*	-0.711	-0.071	0.013	0.516	-0.012
	(0.000)	(0.031)	(0.559)	(0.056)	(0.020)	(0.315)	(0.013)
Observations	319,835	319,835	319,452	281,816	280,607	306,475	301,296
R^2	0.147	0.630	0.234	0.801	0.102	0.370	0.046
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm & Qtr FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Panel B: Firm Fundamentals - WSJ Sample

	Δ EPS	ROA	Δ ROA	Gross Profit	Δ Gross Profit	Cash Flow from Ops.	Δ Cash Flow from Ops.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Fin Cov	-0.003***	-0.224***	-0.706*	-0.079***	-0.095***	-0.062	-0.024**
	(0.001)	(0.029)	(0.413)	(0.030)	(0.015)	(0.056)	(0.009)
Non-Fin Cov	0.001**	-0.082***	0.122	0.014	0.045**	-0.046	-0.008
	(0.000)	(0.029)	(0.178)	(0.046)	(0.021)	(0.074)	(0.012)
Observations	240,286	240,286	240,025	218,755	217,882	233,593	230,262
R^2	0.141	0.566	0.233	0.794	0.077	0.395	0.037
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm & Qtr FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Panel C: Firm Actions - Full Sample

	Dividends per share (1)	Δ Dividends per share (2)	Bankruptcy Dummy × 100 (3)	Delisting Dummy × 100 (4)
Fin Media	-0.005	-0.003***	0.019**	0.111***
	(0.004)	(0.001)	(0.008)	(0.030)
Non-Fin Media	-0.013*	-0.003**	-0.006	0.052
	(0.007)	(0.001)	(0.012)	(0.050)
Observations	319,835	317,832	319,835	319,835
R^2	0.654	0.173	0.052	0.079
Controls	Yes	Yes	Yes	Yes
Firm & Qtr FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Panel D: Firm Actions - WSJ Sample

	Dividends per share (1)	Δ Dividends per share (2)	Bankruptcy Dummy × 100 (3)	Delisting Dummy × 100 (4)
Fin Cov	-0.017***	-0.006***	0.004	0.107**
	(0.005)	(0.001)	(0.011)	(0.053)
Non-Fin Cov	-0.020***	-0.002*	0.021	-0.028
	(0.007)	(0.001)	(0.030)	(0.051)
Observations	240,286	239,004	240,286	240,286
R^2	0.650	0.170	0.034	0.069
Controls	Yes	Yes	Yes	Yes
Firm & Qtr FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Panel E: Expectation Errors - Full Sample

	1(Short of analyst forecasts) (1)	Analyst base-surprise (SURP) (2)	Raw EA window returns (3)	Mkt-adjusted EA window returns (4)
Fin Media	0.016***	-0.021***	-0.117***	-0.001***
	(0.003)	(0.005)	(0.040)	(0.000)
Non-Fin Media	0.013**	-0.001	0.042	0.001
	(0.005)	(0.006)	(0.079)	(0.001)
Observations	186,252	186,252	319,835	319,835
R^2	0.153	0.147	0.062	0.056
Controls	Yes	Yes	Yes	Yes
Firm & Qtr FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Panel F: Expectation Errors - WSJ Sample

	1(Short of analyst forecasts) (1)	Analyst base-surprise (SURP) (2)	Raw EA window returns (3)	Mkt-adjusted EA window returns (4)
Fin Cov	0.007*	-0.020*	-0.074	-0.001*
	(0.004)	(0.011)	(0.056)	(0.001)
Non-Fin Cov	0.007	0.001	-0.090	-0.001
	(0.005)	(0.006)	(0.083)	(0.001)
Observations	153,561	153,561	240,286	240,286
R^2	0.141	0.128	0.050	0.042
Controls	Yes	Yes	Yes	Yes
Firm & Qtr FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Table 7. Sentiment of Media Coverage

In this table, we examine whether the amount of Wall Street Journal coverage during the quarter predicts the sentiment of the coverage. All variables are defined at the firm-quarter level relative to the earnings announcement day t. *Sentiment* is the average sentiment score of articles published in the days specified by the subscripts. The sentiment score is a number on a nine-point scale, where 1 (9) is the most negative (positive) sentiment, determined by prompting the GPT-4o mini model to assign a sentiment score to each WSJ article. We assign a neutral sentiment (i.e., *Sentiment*=5) when the days specified by the subscripts do not have any media publications and standardize *Sentiment* for ease of interpretation. $Log(Articles+1)$ is the log of one plus the number of articles about the firm in the Wall Street Journal. Controls are the same as those in Tables 3, 4, and 5. We include firm, quarter, and size decile fixed effects. Standard errors are clustered at the firm and quarter level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

	$Sentiment_{t-55,t-5}$	$Sentiment_{t-1,t+1}$	$Log(Articles_{t-1,t+1}+1)$
	(1)	(2)	(3)
$Log(Articles_{t-55,t-5}+1)$	-0.194***	-0.140***	0.124***
	(0.033)	(0.019)	(0.006)
Size	0.045***	0.109***	0.028***
	(0.013)	(0.022)	(0.006)
LBM	-0.132***	-0.159***	0.022***
	(0.014)	(0.017)	(0.003)
Momentum	0.230***	0.090***	-0.008***
	(0.021)	(0.018)	(0.003)
Turnover	-0.003*	-0.006**	0.001**
	(0.002)	(0.003)	(0.001)
Log(Guidance+1)	-0.027*	0.018	-0.010***
	(0.015)	(0.014)	(0.003)
Log(8K+1)	-0.014**	-0.022**	-0.003**
	(0.007)	(0.009)	(0.002)
Log(Press Releases+1)	0.001	-0.012*	0.002
	(0.005)	(0.006)	(0.002)
Observations	240,286	240,286	240,286
R^2	0.067	0.058	0.628
Firm & Quarter FEs	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes

Table 8. Media Tilt around Earnings Announcements

In this table, we examine whether there is a tilt in media coverage by regressing media coverage on earnings news. All variables are defined at the firm-quarter level relative to the earnings announcement day t, unless otherwise specified. $Log(Articles_{t-1,t+1}+1)$ is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO) between $t-1$ and $t+1$. $I_{(SUE<0)}$ is an indicator variable for whether SUE is less than zero, where SUE is standardized unexpected earnings computed as the firm's earnings per share minus the earnings per share from one year prior, scaled by beginning of quarter price. $|SUE|$ is the absolute value of SUE. $Size$ is the log of market capitalization measured on day $t-10$. LBM is the log of one plus the firm's book-to-market ratio using market capitalization on $t-10$, and the firm's most recent book value from Compustat quarterly. $Momentum$ is the firm's cumulative market-adjusted return over the fifty trading days ending on $t-10$. $Turnover$ is the average ratio of trading volume to shares outstanding over the fifty trading days ending on $t-10$. $|CAR|$ is the absolute value of the firm's cumulative stock returns for the specified months relative to the month of earnings announcement ($m=0$). $ABTO$ is the abnormal announcement turnover for the specified months relative to the month of earnings announcement ($m=0$). We include firm, quarter, and size decile fixed effects. Standard errors are clustered at the firm and quarter level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

	$Log(Articles_{t-1,t+1}+1)$			
	(1)	(2)	(3)	(4)
$I_{(SUE<0)}$	0.011***	0.012***	0.003	0.003
	(0.002)	(0.002)	(0.002)	(0.002)
$I_{(SUE<0)} \times \lvert SUE\rvert$			0.010***	0.010***
			(0.002)	(0.002)
$\lvert SUE\rvert$			-0.000	-0.001
			(0.002)	(0.002)
Size	0.052***	0.057***	0.052***	0.057***
	(0.009)	(0.009)	(0.009)	(0.009)
LBM	0.055***	0.050***	0.053***	0.049***
	(0.007)	(0.007)	(0.007)	(0.007)
Momentum	-0.023***	-0.033***	-0.022***	-0.033***
	(0.005)	(0.005)	(0.005)	(0.005)
Turnover	0.004**	0.002	0.004**	0.002
	(0.002)	(0.002)	(0.002)	(0.002)
|CAR(m-1)|		0.066***		0.065***
		(0.008)		(0.008)
|CAR(m=0)|		0.145***		0.145***
		(0.012)		(0.012)
|CAR(m+1)|		0.034***		0.033***
		(0.008)		(0.008)
ABTO(m-1)		-0.000*		-0.000*
		(0.000)		(0.000)
ABTO(m=0)		0.001**		0.001**
		(0.000)		(0.000)
ABTO(m+1)		-0.000		-0.000
		(0.000)		(0.000)
Observations	319,835	319,026	319,835	319,026
R^2	0.687	0.688	0.687	0.688
Firm & Quarter FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Table 9. No News

In this table, we examine whether the media tilts toward covering firms with a higher likelihood of having negative storylines, even in the absence of novel information in the earnings news. All variables are defined at the firm-quarter level relative to the earnings announcement day t, unless otherwise specified. $Log(Articles_{t-1,t+1}+1)$ is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO) between $t-1$ and $t+1$. In columns (1)-(2), we only use the subsample of earnings announcements with $SUE = 0$, where SUE is standardized unexpected earnings computed as the firm's earnings per share minus the earnings per share from one year prior, scaled by beginning of quarter price. In columns (3)-(4), we only use the subsample of earnings announcements with $SURP = 0$, where $SURP$ is the firm's earnings per share minus the consensus median forecast on day $t-5$, scaled by beginning of quarter price. In columns (5)-(6) we only use the subsample of earnings announcements where the absolute value of earnings announcement returns calculated over the window $t-1$ to $t+1$ is within one standard deviation of trailing 60-day returns. *Negative Performance* is an indicator for the firm reporting negative GAAP earnings. Controls are the same as those in Table 8. We include firm, quarter, and size decile fixed effects. Standard errors are clustered at the firm and quarter level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

	$Log(Articles_{t-1,t+1}+1)$					
	SUE = 0		SURP = 0		Within 1 STD	
	(1)	(2)	(3)	(4)	(5)	(6)
Negative Performance	0.022*	0.023*	0.028**	0.027**	0.025***	0.024***
	(0.013)	(0.013)	(0.012)	(0.012)	(0.004)	(0.004)
Size	0.056***	0.059***	0.136***	0.136***	0.040***	0.043***
	(0.018)	(0.019)	(0.028)	(0.028)	(0.008)	(0.008)
LBM	0.044*	0.046*	0.138***	0.136***	0.044***	0.041***
	(0.024)	(0.024)	(0.031)	(0.030)	(0.007)	(0.007)
Momentum	-0.025**	-0.031**	-0.068***	-0.067***	-0.010**	-0.019***
	(0.012)	(0.014)	(0.020)	(0.020)	(0.004)	(0.005)
Turnover	0.036	-0.020	0.400***	0.121	0.001	0.000
	(0.053)	(0.062)	(0.095)	(0.130)	(0.001)	(0.000)
|CAR(m-1)|		0.002		0.111**		0.045***
		(0.030)		(0.047)		(0.011)
|CAR(m=0)|		0.029		0.071*		0.047***
		(0.030)		(0.040)		(0.010)
|CAR(m+1)|		0.014		0.082*		0.014*
		(0.038)		(0.048)		(0.009)
ABTO(m-1)		-0.000		-0.009		-0.000**
		(0.001)		(0.006)		(0.000)
ABTO(m=0)		0.003		0.024***		0.001**
		(0.002)		(0.005)		(0.001)
ABTO(m+1)		0.003		-0.001		0.000
		(0.002)		(0.003)		(0.000)
Observations	7,912	7,879	19,519	19,512	107,207	106,842
R^2	0.768	0.769	0.750	0.751	0.705	0.706
Firm & Quarter FEs	Yes	Yes	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes

Table 10. Does Media Provide New Information?

This table examines whether the number of media articles in month m predicts the firms' future monthly returns in month $m+1$. We estimate these regressions using the Fama-MacBeth method with standard errors adjusted using the Newey-West procedure with 12 lags. In columns (3)-(4) we partition our sample into subsamples of firms in the bottom and in the top three deciles of firm size, respectively, and in columns (5)-(6) we partition by below and above median analyst coverage, respectively. $Returns_{(m+1)}$ are firm returns in month $m+1$ multiplied by 100. $Log(Articles+1)$ is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO) in month m demeaned by the firm's average $Log(Articles+1)$ in the past 5 years. $Size$ is the log of market capitalization measured in month m. LBM is the log of one plus the firm's book-to-market ratio using market capitalization in month m and the firm's most recent book value from Compustat quarterly. $Momentum$ is the firm's cumulative market-adjusted returns over the twelve months ending in month m. $Gross\ Profit$ is revenue minus COGS, scaled by total assets from the firm's most recent values from Compustat quarterly. *Short-term Returns* are abnormal returns in month m multiplied by 100. EA is an indicator for whether there is an earnings announcement in month m. We include size decile fixed effects. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

	$Returns_{m+1}$					
	All	All	Small Firms	Big Firms	$<$ Median Analyst	$\geq$ Median Analyst
	(1)	(2)	(3)	(4)	(5)	(6)
Log(Articles + 1)	-0.161**	-0.155**	-1.037**	-0.124	-0.471**	-0.053
	(0.063)	(0.063)	(0.445)	(0.079)	(0.217)	(0.053)
Size	-0.342***	-0.358***	-0.888***	-0.010	-0.727***	0.005
	(0.113)	(0.109)	(0.206)	(0.036)	(0.186)	(0.044)
LBM	0.640**	0.671**	1.198***	-0.298	0.973***	0.175
	(0.261)	(0.264)	(0.305)	(0.399)	(0.275)	(0.322)
Momentum	-0.263	-0.144	-0.262	-0.029	-0.136	-0.131
	(0.402)	(0.386)	(0.598)	(0.440)	(0.310)	(0.541)
Gross Profit		0.654***	5.208***	0.919	0.624**	2.874**
		(0.247)	(0.772)	(0.771)	(0.258)	(1.144)
Short-term Returns		-0.016***	-0.020***	-0.013*	-0.018***	-0.013**
		(0.004)	(0.007)	(0.007)	(0.006)	(0.005)
EA		-0.023	-0.067	0.014	0.048	-0.154**
		(0.066)	(0.149)	(0.105)	(0.100)	(0.075)
Observations	341,935	339,004	101,513	102,015	169,415	169,589
R^2	0.036	0.042	0.045	0.074	0.044	0.082
Size Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes

Online Appendix

"Bad News Bearers: The Negative Tilt of Financial Press"

Betty Liu, Marina Niessner, Eric So

Figure A1. Distribution of Sentiment for Seeking Alpha Articles

In this figure, we analyze the sentiment of Seeking Alpha articles written about firms in our sample using the GPT-4o mini model as described in the Appendix A. This figure depicts a frequency distribution of articles by *Sentiment*, a number on a nine-point scale where 1 (9) is the most negative (positive) sentiment.

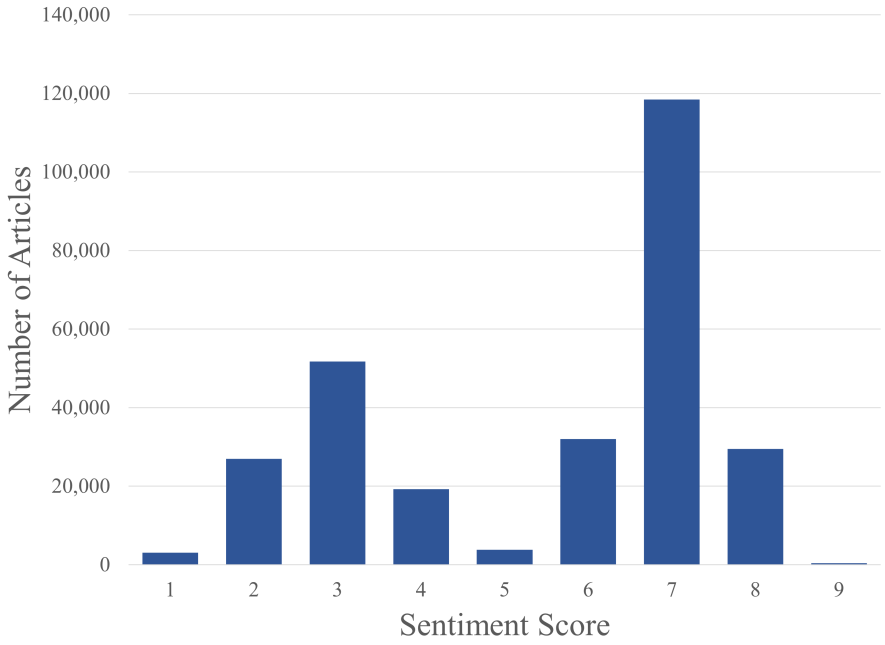


Table A1. Media Coverage and Firm Outcomes - No Management Info Controls

In this table, we examine whether the amount of media coverage during the quarter forecasts future firm outcomes without using control variables for firm disclosure events. In Panel A, the dependent variables are future firm fundamentals; in Panel B, future firm actions; and in Panel C, expectation errors among market participants. All variables are defined in Tables 3, 4, and 5. We include firm, quarter, and size decile fixed effects. Standard errors are clustered at the firm and quarter level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

Panel A: Firm Fundamentals

	Δ EPS (1)	ROA (2)	Δ ROA (3)	Gross Profit (4)	Δ Gross Profit (5)	Cash Flow from Ops. (6)	Δ Cash Flow from Ops. (7)
Log(Articles + 1)	-0.002***	-0.276***	-0.672**	-0.176***	-0.123***	-0.599	-0.028***
	(0.000)	(0.019)	(0.273)	(0.021)	(0.015)	(0.588)	(0.005)
Size	-0.005***	0.658***	-0.019	-0.149**	-0.347***	1.242	0.020
	(0.001)	(0.053)	(0.504)	(0.065)	(0.040)	(0.834)	(0.014)
LBM	-0.031***	-1.225***	-5.020***	-2.531***	-0.814***	-1.015	-0.110***
	(0.008)	(0.142)	(0.944)	(0.117)	(0.050)	(1.194)	(0.014)
Momentum	0.008***	0.017	-1.388	0.381***	0.754***	-0.327*	0.074***
	(0.001)	(0.078)	(1.445)	(0.066)	(0.062)	(0.188)	(0.013)
Turnover	0.000	0.039***	0.066	0.014***	-0.004	0.028	-0.003
	(0.000)	(0.009)	(0.052)	(0.004)	(0.013)	(0.041)	(0.002)
Observations	319,835	319,835	319,452	281,816	280,607	306,475	301,296
R^2	0.147	0.629	0.234	0.801	0.101	0.370	0.046
Firm & Quarter FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Panel B: Firm Actions

	Dividends per share (1)	Δ Dividends per share (2)	Bankruptcy Dummy × 100 (3)	Delisting Dummy × 100 (4)
Log(Articles + 1)	-0.010**	-0.004***	0.018**	0.166***
	(0.004)	(0.001)	(0.008)	(0.030)
Size	0.036***	0.007***	-0.042***	-0.666***
	(0.008)	(0.001)	(0.014)	(0.107)
LBM	0.001	-0.008***	-0.013	-0.565***
	(0.006)	(0.002)	(0.021)	(0.112)
Momentum	-0.027***	-0.003*	-0.004	-0.250***
	(0.007)	(0.002)	(0.016)	(0.090)
Turnover	-0.000	0.000	-0.000	-0.007
	(0.000)	(0.000)	(0.000)	(0.005)
Observations	319,835	317,832	319,835	319,835
R^2	0.654	0.173	0.052	0.078
Firm & Quarter FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Panel C: Expectation Errors

	1(Short of analyst forecasts) (1)	Analyst base-surprise (SURP) (2)	Raw EA window returns (3)	Mkt-adjusted EA window returns (4)
Log(Articles + 1)	0.018***	-0.022***	-0.072**	-0.001**
	(0.002)	(0.005)	(0.036)	(0.000)
Size	-0.002	-0.061***	-1.337***	-0.013***
	(0.006)	(0.013)	(0.124)	(0.001)
LBM	0.120***	-0.395***	-0.760***	-0.008***
	(0.012)	(0.105)	(0.170)	(0.002)
Momentum	-0.117***	0.160***	-0.035	-0.001
	(0.011)	(0.020)	(0.181)	(0.002)
Turnover	0.031**	-0.066*	-0.007	-0.000
	(0.015)	(0.033)	(0.019)	(0.000)
Observations	186,252	186,252	319,835	319,835
R^2	0.153	0.147	0.062	0.056
Firm & Quarter FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes

Table A2. Media Coverage and Firm Outcomes - Alternative Controls

In this table, we examine whether the amount of media coverage during the quarter forecasts future firm outcomes with an alternative size control and the addition of fixed effects using the decile of the percentage of stock owned by retail investors. All variables are defined at the firm-quarter level relative to the earnings announcement day t. In Panel A, the dependent variables are future firm fundamentals; in Panel B, future firm actions; and in Panel C, expectation errors among market participants. The dependent variables are defined in Tables 3, 4, and 5. *Log(Articles* + 1) is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO) between $t-55$ and $t-5$. *Size Percentile* is the percentile rank of the log of market capitalization measured on day $t-10$. All other controls are the same as those in Tables 3, 4, and 5. We include firm, quarter, size decile, and percentage retail decile fixed effects. Standard errors are clustered at the firm and quarter level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

Panel A: Firm Fundamentals

	Δ EPS (1)	ROA (2)	Δ ROA (3)	Gross Profit (4)	Δ Gross Profit (5)	Cash Flow from Ops. (6)	Δ Cash Flow from Ops. (7)
Log(Articles + 1)	-0.002***	-0.203***	-0.533***	-0.144***	-0.108***	-0.699	-0.018***
	(0.000)	(0.017)	(0.184)	(0.021)	(0.016)	(0.722)	(0.006)
Observations	260,800	260,800	260,508	228,506	227,607	250,047	245,995
R^2	0.154	0.638	0.131	0.826	0.120	0.371	0.055
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm & Quarter FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
% Retail Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Panel B: Firm Actions

	Dividends per share (1)	Δ Dividends per share (2)	Bankruptcy Dummy × 100 (3)	Delisting Dummy × 100 (4)
Log(Articles + 1)	-0.006	-0.003***	0.018*	0.123***
	(0.004)	(0.001)	(0.010)	(0.033)
Observations	260,800	259,288	260,800	260,800
R^2	0.673	0.188	0.062	0.088
Controls	Yes	Yes	Yes	Yes
Firm & Quarter FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes
% Retail Decile FEs	Yes	Yes	Yes	Yes

Panel C: Expectation Errors

	1(Short of analyst forecasts) (1)	Analyst base-surprise (SURP) (2)	Raw EA window returns (3)	Mkt-adjusted EA window returns (4)
Log(Articles + 1)	0.018***	-0.021***	-0.087**	-0.001**
	(0.002)	(0.005)	(0.042)	(0.000)
Observations	183,948	183,948	260,800	260,800
R^2	0.154	0.148	0.069	0.063
Controls	Yes	Yes	Yes	Yes
Firm & Quarter FEs	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes
% Retail Decile FEs	Yes	Yes	Yes	Yes

Table A3. Media Tilt around Earnings Announcements

In this table, we estimate alternative specifications of Table 8. Columns (1)-(2) are estimated using Poisson regressions. Columns (3)-(6) use alternative definitions for earnings surprise. All variables are defined at the firm-quarter level relative to the earnings announcement day t, unless otherwise specified. $Log(Articles_{t-1,t+1}+1)$ is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO) between $t-1$ and $t+1$. In columns (1) and (2) $I_{(SUE<0)}$ is an indicator variable for whether SUE is less than zero, where SUE is standardized unexpected earnings computed as the firm's earnings per share minus the earnings per share from one year prior scaled by beginning of quarter price. In columns (3) and (4) $I_{(SUE<0)}$ is an indicator variable for whether the market-adjusted earnings announcement window returns calculated over the window $t-1$ to $t+1$ are less than zero. In columns (5) and (6) $I_{(SUE<0)}$ is an indicator variable for whether $RWSUE$ is less than zero, where $RWSUE$ is a random-walk standardized unexpected earnings measure computed as the firm's earnings per share minus the earnings per share from one year prior, scaled by the standard deviation of the numerator computed for each of the past 8 quarters. Controls are the same as those in Table 8. We include firm, quarter, and size decile fixed effects. Standard errors are clustered at the firm and quarter level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

	$Log(Articles_{t-1,t+1}+1)$					
	Poisson		Returns-based SUE		RWSUE	
	(1)	(2)	(3)	(4)	(5)	(6)
$I_{(SUE<0)}$	0.042***	0.044***	0.003*	0.003**	0.009***	0.009***
	(0.007)	(0.007)	(0.001)	(0.001)	(0.002)	(0.002)
Size	0.086***	0.105***	0.052***	0.058***	0.043***	0.051***
	(0.019)	(0.019)	(0.009)	(0.009)	(0.011)	(0.011)
LBM	0.262***	0.236***	0.057***	0.053***	0.057***	0.054***
	(0.037)	(0.035)	(0.007)	(0.007)	(0.008)	(0.008)
Momentum	-0.109***	-0.129***	-0.024***	-0.035***	-0.020***	-0.034***
	(0.031)	(0.027)	(0.005)	(0.005)	(0.006)	(0.007)
Turnover	0.008***	0.012*	0.004**	0.002	0.003	0.001
	(0.003)	(0.007)	(0.002)	(0.002)	(0.003)	(0.001)
|CAR(m-1)|		0.311***		0.067***		0.049***
		(0.041)		(0.008)		(0.012)
|CAR(m=0)|		0.621***		0.145***		0.131***
		(0.094)		(0.012)		(0.012)
|CAR(m+1)|		0.203***		0.034***		0.008
		(0.040)		(0.008)		(0.012)
ABTO(m-1)		-0.001**		-0.000*		0.001
		(0.000)		(0.000)		(0.001)
ABTO(m=0)		0.001*		0.001**		0.003**
		(0.001)		(0.000)		(0.001)
ABTO(m+1)		-0.000*		-0.000		0.002**
		(0.000)		(0.000)		(0.001)
Observations	212,406	211,866	319,835	319,026	235,477	235,208
R^2	0.322	0.323	0.687	0.688	0.701	0.703
Firm & Quarter FEs	Yes	Yes	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes

Table A4. Does Media Provide New Information? - Retail Holdings Controls

This table examines whether the number of media articles in month m predicts the firms' future monthly returns in month $m+1$ with alternative fixed effects using the decile of the percentage of retail holdings of the firms' stock. We estimate these regressions using the Fama-MacBeth method with standard errors adjusted using the Newey-West procedure with 12 lags. In columns (3)-(4) we partition our sample into subsamples of firms with the bottom and top 3 deciles of firm size, respectively, and in columns (5)-(6) we partition by below and above median analyst coverage, respectively. $Returns_{(m+1)}$ are multiplied by 100. $Log(Articles+1)$ is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO) in month m demeaned by the firm's average $Log(Articles+1)$ in the past 5 years. $Size$ is the log of market capitalization measured in month m. LBM is the log of one plus the firm's book-to-market ratio using market capitalization in month m and the firm's most recent book value from Compustat quarterly. $Momentum$ is the firm's cumulative market-adjusted returns over the twelve months ending in month m. $Gross\ Profit$ is revenue minus COGS scaled by total assets from the firm's most recent values from Compustat quarterly. *Short-term Returns* are abnormal returns in month m multiplied by 100. EA is an indicator for whether there is an earnings announcement in month m. We include percentage retail decile fixed effects. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

	$Returns_{m+1}$					
	All	All	Small Firms	Big Firms	< Median Analyst	≥ Median Analyst
	(1)	(2)	(3)	(4)	(5)	(6)
Log(Articles + 1)	-0.153**	-0.148**	-1.049**	-0.124	-0.466**	-0.056
	(0.060)	(0.059)	(0.410)	(0.075)	(0.213)	(0.051)
Size Percentile	0.001	0.001	0.004	-0.010**	0.003	-0.002
	(0.004)	(0.004)	(0.010)	(0.005)	(0.006)	(0.004)
LBM	0.676**	0.696***	1.330***	-0.263	1.045***	0.194
	(0.261)	(0.264)	(0.309)	(0.401)	(0.279)	(0.310)
Momentum	-0.351	-0.216	-0.432	0.023	-0.239	-0.135
	(0.395)	(0.379)	(0.550)	(0.436)	(0.295)	(0.552)
Gross Profit		0.599**	4.657***	0.731	0.545**	2.827**
		(0.231)	(0.736)	(0.764)	(0.239)	(1.169)
Short-term Returns		-0.018***	-0.021***	-0.013*	-0.021***	-0.014**
		(0.005)	(0.007)	(0.007)	(0.007)	(0.005)
EA		-0.018	-0.021	0.005	0.054	-0.140*
		(0.065)	(0.152)	(0.102)	(0.104)	(0.079)
Observations	341,935	339,004	101,513	102,015	169,415	169,589
R^2	0.033	0.039	0.059	0.092	0.042	0.078
% Retail Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes

Table A5. Does Media Provide New Information? - Sentiment

This table examines whether the number of media articles in month m predicts the firms' future monthly returns in month $m+1$ with *Sentiment* as an additional regressor. We estimate these regressions using the Fama-MacBeth method with standard errors adjusted using the Newey-West procedure with 12 lags. $Returns_{(m+1)}$ are multiplied by 100. $Log(Articles+1)$ is the log of one plus the number of articles about the firm from our sample of Wall Street Journal (WSJ) articles in month m demeaned by the firm's average $Log(Articles+1)$ in the past 5 years. *Sentiment* is the average sentiment score of articles in month m. The sentiment score is a number on a nine-point scale, where 1 (9) is the most negative (positive) sentiment, determined by prompting the GPT-4o mini model to assign a sentiment score to each WSJ article. We assign a neutral sentiment (i.e., *Sentiment*=5) to months without any media publications and demean *Sentiment* by the firm's average *Sentiment* in the past 5 years. We also standardize *Sentiment* for ease of interpretation. *Size* is the log of market capitalization measured in month m. LBM is the log of one plus the firm's book-to-market ratio using market capitalization in month m and the firm's most recent book value from Compustat quarterly. $Momentum$ is the firm's cumulative market-adjusted returns over the twelve months ending in month m. $Gross\ Profit$ is revenue minus COGS scaled by total assets from the firm's most recent values from Compustat quarterly. *Short-term Returns* are abnormal returns in month m multiplied by 100. EA is an indicator for whether there is an earnings announcement in month m. We include size decile fixed effects. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

	$Returns_{m+1}$		
	(1)	(2)	(3)
Log(Articles + 1)	-0.319***	-0.294***	-0.277***
	(0.118)	(0.099)	(0.096)
Sentiment	0.011	0.030	0.034
	(0.027)	(0.022)	(0.022)
Size	-0.404***	-0.353***	-0.369***
	(0.125)	(0.115)	(0.111)
LBM		0.645**	0.675**
		(0.259)	(0.262)
Momentum		-0.265	-0.143
		(0.400)	(0.384)
Gross Profit			0.653***
			(0.247)
Short-term Returns			-0.016***
			(0.004)
EA			-0.034
			(0.065)
Observations	341,935	341,935	339,004
R^2	0.023	0.036	0.043
Size Decile FEs	Yes	Yes	Yes

Table A6. Weekly Returns after Article Publication

In this table, we examine the weekly abnormal returns following media coverage. In columns (3)-(4) and columns (5)-(6), we partition our sample into subsamples of firms with the bottom and top 3 deciles of firm size, respectively. *AbRet* is the firms' abnormal returns adjusted using the Fama-French 3-Factor model plus the momentum factor, multiplied by 100. $Log(Articles+1)$ is the log of one plus the number of articles about the firm in the nine news sources (Barron's, FT, NYT, Reuters, The Times, USAT, WP, WSJ, WSJO). EA is an indicator for whether there is an earnings announcement for that firm in week w. Time subscript w denotes increments on a weekly level. We include week and size decile fixed effects. Standard errors are clustered at the week level. Statistical significance is denoted at the ten, five, and one percent levels by *, **, and ***, respectively.

	All Firms		Small Firms		Big Firms	
	$AbRet_{w=0}$	$CAR_{w+1,w+10}$	$AbRet_{w=0}$	$CAR_{w+1,w+10}$	$AbRet_{w=0}$	$CAR_{w+1,w+10}$
	(1)	(2)	(3)	(4)	(5)	(6)
$Log(Articles_w + 1)$	0.109***	-0.715***	0.482**	-3.356***	0.020	0.027
	(0.022)	(0.044)	(0.223)	(0.331)	(0.016)	(0.037)
EA	0.109***	0.270***	-0.202***	0.227	0.466***	-0.116
	(0.039)	(0.099)	(0.069)	(0.160)	(0.040)	(0.082)
AbRet_{w-1}	-0.049***		-0.065***		-0.031***	
	(0.003)		(0.005)		(0.007)	
$\text{AbRet}_{w=0}$		-0.085***		-0.112***		-0.059***
		(0.008)		(0.008)		(0.013)
$\text{Log(Articles}_{w+1,w+10} + 1)$		0.657***		4.117***		0.042
		(0.038)		(0.239)		(0.026)
Observations	3,021,668	2,941,485	904,712	867,518	908,165	891,971
R^2	0.010	0.016	0.026	0.048	0.014	0.013
Week FEs	Yes	Yes	Yes	Yes	Yes	Yes
Size Decile FEs	Yes	Yes	Yes	Yes	Yes	Yes