

Local crime news bias and housing markets

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Abstract

How do local news outlets cover crime, and what are the effects of said coverage on housing markets? By linking almost the universe of individual homicides to individual stories in the news, this paper estimates the bias in coverage of crime news by local TV outlets in the United States. This paper finds evidence of substantial biases in the coverage of homicides along race (victim and suspect) and wealth: inter-racial crime is substantially over-covered; white-on-white crime is under-covered; and richer neighborhoods get substantially more coverage. I find that race bias depends on the market demographics, and that within-market variation of bias is a function of the number of stations and market size. I propose a simple model of horizontal differentiation that captures these results, suggesting that stations are catering to the largest demographic group. Lastly, I evaluate the impact of crime coverage on housing prices using an instrumental variable strategy based on sporting events, which crowd out crime news. The results suggest robust and substantial effects of crime coverage on prices. For homicides close to a transacted house, having at least one being covered in the news reduces housing prices between 2 and 8%. These effects, in combination with the estimated race bias in the covered news, imply a decrease of up to 0.4% in housing prices in majority non-white neighborhoods compared to a scenario of no-bias.

Keywords: media bias, crime, housing markets

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