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ABSTRACT

Democratic societies depend on citizens being informed about candidates and representatives, to allow for optimal voting and political accountability. As the Fourth Estate, news media have a crucial role in this context. However, due to selective exposure, media bias, and endogeneity it is not a priori clear if news consumption increases voter information. Focusing on the increase in leisure time that is associated with retirement, this study investigates whether changes in the consumption of political information affect campaign-related knowledge. For that purpose, I use survey data pertaining to the 2000, 2004, and 2008 US presidential elections. Instrumenting with eligibility for old age benefits, the results show that retirement improves respondents' performance in answering knowledge questions. The effect is mostly driven by additional exposure to newscasts and newspapers. There is also evidence of increasing polarization due to retirement.

1. Introduction

Retirement from work is a major life-changing event for most people. After decades of work-centered activities, retirees encounter completely different daily routines. The social environment changes, as contact to former co-workers declines or ceases. In the economics literature, the sudden increase in leisure time that comes with retirement has been investigated from different perspectives. For example, consumption-related studies have been addressing the finding that people often reduce their expenditures after retirement (e.g., Aguiar and Hurst, 2005, 2007; Battistin et al., 2009; Luengo-Prado and Sevilla, 2013). Time diary data suggest that retirees spend more time shopping, which allows them to buy cheaper goods, especially groceries. The health literature discusses the effects on physical and mental conditions, since retirees are able to sleep longer, to exercise more, and to allocate more time to recreational activities, such as cooking, gardening, knitting, or taking care of pets (e.g., Stancanelli and Van Soest, 2012; Eibich, 2015).

This study investigates another byproduct of the increase in leisure time, the effect of retirement on news consumption. Retirees can spend more time reading the newspaper or watching television, for instance, compared to people who are still working. In addition, retirees might pay more attention to news and current affairs to compensate for the loss of mentally stimulating activities associated with work. Many retirees also depend to a larger degree on public goods and subsidies than employees – such as state health insurance, pension, or discounts in government-sponsored facilities – which might increase their news consumption due to an added interest in politics.

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There are convincing reasons to expect retirees to exhibit higher levels of news exposure, and empirical evidence of this phenomenon would be certainly of some value. However, it is even more important to evaluate the consequences of the shift in the demand for news. For that purpose, this study also evaluates whether retirement affects political knowledge, as larger degrees of exposure to (political) news could improve voters' information.

I use the 2000, 2004, and 2008 editions of the National Annenberg Election Survey (NAES) to verify the hypothesized effects. The national rolling cross sections of this survey each consist of more than 50,000 interviews, which provide ideal data on this matter. On the one hand, respondents are asked a comprehensive set of questions about political issues that are particularly relevant to US presidential campaigns, such as candidates' agenda and background. On the other hand, the surveys provide information on people's exposure to political information, for instance, by the means of television, newspapers, and online news outlets.

The decision to retire might be endogenous to news consumption, political knowledge, or both. When using observational data, one approach to address the endogeneity is to look at changes in knowledge over time within individuals (e.g., [Barabas and Jerit, 2009](#); [Dimitrova et al., 2014](#); [Munger et al., 2016](#)). Panel data would allow to deal with the kind of endogeneity that is caused by unobserved individual characteristics, simultaneously influencing knowledge, news exposure, and the status of retirement. To address a potentially more severe source of endogeneity – reverse causality – it is useful to exploit an exogenous source of variation in retirement status. Therefore, I use the eligibility for Social Security retirement benefits to construct two binary instruments, capturing respondents aged 62 to 64 (early retirement) and 65 years or older (normal retirement). These instruments allow to estimate the causal effect of retirement on respondents' exposure to political information and their performance in answering subsets of 167 campaign-related question items.

After controlling for the age-related decline in cognitive abilities and other covariates, instrumental variable (IV) estimates indicate that retirement leads to an increase in the respondents' share of correctly answered questions by approximately 4.6 percentage points. The magnitude of the effect is meaningful, considering that the respondents' average of providing correct answers is 46%. The effect is larger for questions about issues that are particularly relevant to retirees (e.g., health policy), and current rather than general knowledge. The findings are robust to changes in specifying the instruments, applying different age polynomials, interacting the age function with the eligibility thresholds, including question fixed effects, weighting the respondents by the number of questions asked, and varying the age window around the time of retirement.

To learn about the mechanism behind the effect, I consider various media and non-media sources of political information. Respondents' usage of the different information sources is found to strongly correlate with the level of political knowledge; and the data show that retirement affects the respondents' information exposure, especially through newscasts and newspapers. Compared to working people, retirees are estimated to read a newspaper on 0.8 additional days per week, for instance. Although a similarly large and robust effect can be found on the frequency of participation in private political discussions, the data suggest that the knowledge effect is mostly driven by media consumption.

In addition, I test whether the change in information exposure and knowledge affects further outcomes. The lack of consistent data prevents the evaluation of actual turnout, but I do not find robust evidence of effects on intentions of respondents to vote. However, the data suggest that the strength of party identification and partisan affect increase after retirement. This result likely implies that retirees use the additional spare time to expand their consumption of congenial partisan news, which strengthens existing beliefs and increases polarization. In general, greater knowledge is socially beneficial but affective polarization is likely harmful. Thus the welfare effects of the increase in media consumption due to retirement remain unclear. In addition, the findings help to understand the demographic differences in polarization discussed by [Boxell et al. \(2017\)](#). That is, increased exposure to traditional media – in combination with a changing media landscape – likely explain why older people have been becoming more polarized than other age groups over the last decades.

As the Fourth Estate, the media is supposed to provide information that helps reduce asymmetries between voters and representatives. However, it is not always clear whether media actually educate voters, due to media bias, selective exposure, and other obstacles to an undistorted transmission of information. There might also be reverse causality, as politically sophisticated individuals usually consume more political news than less informed people. The findings of this study therefore contribute to the sparse evidence of causal effects of media on political knowledge outside the laboratory: [Gentzkow \(2006\)](#) uses random, spatial variation in the introduction of television in the 1950s to show that the new technology decreased consumption of newspapers and radio, which in turn led to a drop in US voters' political knowledge. [Gerber et al. \(2009\)](#) conduct a field experiment, in which individuals are randomly assigned to a newspaper subscription; their results do not indicate effects of the subscription on knowledge though. Investigating how random differences in the availability of Fox News during its introduction affected knowledge, [Schroeder and Stone \(2015\)](#) find that the outlet shifted political knowledge in a partisan way. While these studies investigate effects of media from a supply-side perspective, I provide evidence that is based on a demand-side mechanism.

The findings also contribute to research on the effects of retirement, which has not addressed media consumption and political knowledge aspects so far. Specifically, the findings relate to studies investigating retirement and cognitive abilities. According to this strand of research, cognitive abilities decline progressively with age, and possibly due the life changes associated with retirement (e.g., [Rohwedder and Willis, 2010](#); [Bonsang et al. 2012](#); [Mazzonna and Peracchi, 2012](#); [2017](#)). A central subject of discussion in these studies is the “use it or lose it” effect, according to which the absence of mentally stimulating tasks accelerates the decline in cognitive abilities. By considering the consumption of political information, the current study investigates an example of a mentally stimulating activity. This activity improves cognition, thus contributing to human resources in the form of political knowledge.

The next section describes the data and motivates the identification strategy. Afterwards, I provide details on the estimation approach and present the main results. I illustrate the mechanism and evaluate other outcome variables before concluding in the last section.

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