



Journalists And The Economy

Just the Facts

By

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Some of the most important economic markers for journalists and their audience

People of all ages, in countries across the world, are deeply concerned about their future. Will they have enough money to buy food, pay rent or make mortgage payments, plan for retirement, pay medical bills, etc. One of the most important things journalists can do is understand that concern and find ways to report on important economic markers that will help their audience understand what will happen next.

In this eBook, I'd like to share some thoughts about what journalists should know about the economy in general. What we learn from the past can help us in our reporting in the future.



Deep Debt

The people of the United States and many other countries across the world are in ‘deep debt.’ The [world debt](#) is estimated at a little more than \$307 trillion. The U.S. debt, as of last month, was \$33 trillion and rising. China, with a population more than four times that of the United States, has a debt that is less than half of ours — about \$14.5 trillion. Japan, with a population less than half that of the U.S., has a debt of more than \$13.5 trillion. Once we get past the top three debt nations (United States, China, and Japan), the numbers fall off quickly. The United Kingdom’s debt is at ‘only’ \$3.793 trillion. Germany has a debt of about \$3.363 trillion.

National and international debt goes up so fast that I can’t publish a dollar amount that will be accurate when you read this eBook. Check out the [World Debt Clock](#) and the [U.S. Debt Clock](#) to see what I mean. You’ll notice a lot of ‘red’ on the U.S. clock. That’s because our country is carrying so much debt. We’re at the top of the list — not a good thing in this story.

You'll find a 'State Debt Clock' Tab on the U.S. Debt Clock which will help you tell your story from a more local perspective. You can also compare your state's financial situation with other states in your region. The 'State' tab will give you information about your state's population, GDP, debt, revenue, spending, and debt per citizen.

Here are some examples —

- [California Debt Clock](#)
- [New York Debt Clock](#)
- [Florida Debt Clock](#)
- [Alabama Debt Clock](#)
- [Arizona Debt Clock](#)
- [Texas Debt Clock](#)
- [Tennessee Debt Clock](#)

How do these financial facts affect taxpayers? The United States currently has a population of about 335 million people. Of that number about 128 million people pay taxes. The debt per taxpayer (as of this writing) is about \$255,000. The median income per worker is about \$36,000, so how can taxpayers possibly get the U.S. out of debt?

Good question. Ask the people who represent your community in Congress and state legislatures. What's their solution?

History of Debt

Here's where a knowledge of history is helpful in reporting. It goes along with the old journalism saying: 'Follow the money.' The [national debt](#) in the early years of our nation was in the **millions** of dollars. That was due to the cost of borrowing to pay for the Revolutionary War. The debt increased again with the War of 1812, and again with the Civil War. It was during the Civil War that the national debt went from millions to **billions** of dollars. Check out the dates of other wars the U.S. has fought and you'll see the debt increases markedly each time.

As you study the history of national debt, you'll notice how wars increase debt. I started covering news in 1967. That was during the early years of the Vietnam War. The U.S. debt went from \$317 billion dollars at the beginning of the war in 1965 to \$533 billion dollars when the war ended in 1975.

Social programs also play a big role in the national debt. Medicare became law in 1966 and is currently the largest national debt item at more than \$1.6 trillion dollars. Social Security, which became law in 1935, is the second largest debt item at more than \$1.3 trillion dollars. Defense/War is third at almost \$795 billion dollars. Interest on the debt is fourth at \$705 billion dollars.

While the U.S. government is the largest holder of U.S. debt, many foreign governments also own a large amount of U.S. public debt. The top five are Japan (\$1.1 trillion), China (\$860 billion), United Kingdom (\$668 billion), Belgium (\$331 billion), and Luxembourg (\$318 billion). Other countries of note are the Cayman Islands, Switzerland, Ireland, Canada, Taiwan, and Brazil.

It's interesting to notice that while it took almost 200 years for the U.S. national debt to grow to \$1 trillion, it took only 41 years from that point for the debt to grow to \$33 trillion. That's an increase of about 3,200 percent in just 41 years. That averages out to an increase of about 78 percent **per year** from 1982 to 2023!

The question journalists should be asking elected officials and non-elected government leaders is HOW and WHY! Why did they let the U.S. economy get into such a state that American taxpayer debt is currently more than \$255,000 per taxpayer?

Here's another question — how do we get out of that much debt? Answer — interview the elected and unelected officials responsible for legislation and spending. Ask tough questions and demand answers. That's part of journalists holding powerful people accountable for their actions and inactions. It's up to them to explain what they've done and how they plan to make things better for the American public.

Debt-to-GDP Ratio

Also ask the ‘powerful people’ you cover about the nation’s **debt-to-GDP ratio**.

The debt-to-GDP ratio is the metric comparing a country's public debt to its gross domestic product (GDP). By comparing what a country owes with what it produces, the debt-to-GDP ratio reliably indicates that particular country’s ability to pay back its debts. Often expressed as a percentage, this ratio can also be interpreted as the number of years needed to pay back debt if GDP is dedicated entirely to debt repayment. [Investopedia](#)

The current U.S. ‘Debt-to-GDP Ratio’ is 136.12 percent. Is that good or bad?

A study by the World Bank found that countries whose debt-to-GDP ratios exceed 77% for prolonged periods experience significant slowdowns in economic growth. Pointedly, every percentage point of debt above this level costs countries 0.017 percentage points in economic growth. This phenomenon is even more pronounced in emerging markets,

where each additional percentage point of debt over 64% annually slows growth by 0.02%. [Investopedia](#)

This is not good for the U.S. and many other countries. Our nation's debt-to-GDP ratio is almost 60 percent higher than the World Bank's top number. The U.S. debt-to-GDP ratio has been above 77 percent since 2009, which I would call a 'prolonged' period of time. Ask officials and experts about that and see what they say. If they don't know about it, ask them why they don't. If someone wants to lead the country, they need to understand economics — not just politics.

If they do know about the 'Debt-to-GDP Ratio,' ask them what they're doing about it. Have they introduced economic legislation? If they did, what's happened to that legislation? If they haven't introduced economic legislation, will they? If they say yes, ask them what the legislation will do for the American people. Let them know you will be checking back with them in a week or two to see what they do.

How about any cost-cutting measures? Are elected officials doing anything about government spending? If necessary, remind them they are spending taxpayer dollars and that you represent the taxpayers of this country. Hold government officials accountable!

More Economic Tools for Journalists

Another interesting tool to use when reporting on the economy, inflation, etc., is the ‘forward’ and ‘backward’ inflation rates.

- The [Forward Flat Rate Inflation Calculator](#) “calculates an inflation based on a certain average inflation rate **after some years.**”
- The [Backward Flat Rate Inflation Calculator](#) “calculates the equivalent purchasing power of an amount **some years ago** based on a certain average inflation rate.”

Using 3% inflation as an example, here’s how much you will need in 2033 to have the same purchasing power as you do in 2023. We’ll use \$100 as an example. You will need \$134.39 ten years from now. That’s using the **Forward Flat Rate Inflation Calculator.**

Using the 3% inflation rate as an example with the **Backward Flat Rate Inflation Calculator**, \$100 now equals \$74.41 of purchasing power 10 years ago. That’s a loss of more than 25 percent in purchasing power since 2013. While that sounds

like a lot (and it is), the **Forward Calculator** estimates an even bigger hit to the consumer's wallet during the next ten years (based on an annual 3% inflation rate).

If the Fed is somehow able to get the inflation rate to 2% and keep it there for the next ten years, it would take about \$122 in 2033 to equal the purchasing power of \$100 today. Consumers would continue to lose purchasing power because of inflation, even at 2%, unless their wages are able to keep up. However, as I've said before, remember that the true rate of inflation is usually higher than reported and doesn't affect every person or family equally.

You can also use the [Bureau of Labor Statistics CPI Calculator](#) to figure the purchasing power of money from one month and year to another. Let's look at how much you would need to spend in August 2023 to equal the purchasing power of \$100 in August 2013. The answer, according to the BLS calculator, is \$131.28.

These tools are some of the ways to bring home to your audience how inflation is hurting their ability to keep up with the cost of goods and services. As you use the tools, present your findings in ways consumers will understand and find useful.

Journalism's 'Heavy Lifting'

Research is one part of what I call the 'heavy lifting' of journalism. The Internet offers journalists tremendous access to past and current information and insights into what will happen on the economic front in the coming days, weeks, and years. Most people in your audience do not have the time to do the heavy lifting to get that information, which is why you earn a living as a 'journalist.' You do that 'lifting' for your audience. The better you are at doing that job, the more people will turn to you for information.

Learn as much as you can about how local, state, and national economies work (and should work). Do the research, then interview some of the more than 500-thousand elected officials and more than 20 million government employees in the U.S. That's the second part of the 'heavy lifting' journalists do for their audience.

I believe in being polite and professional when talking with elected officials and government employees. I also believe in the right of journalists to get answers to their questions. If an elected official or government employee refuses to answer your questions, be sure to record your request and their response. That will document your request and their response. It also records your attitude in asking and their attitude in responding. Be professional while being firm in making your request. You are doing this for your audience, the people who pay the taxes in your country. They have a right to know how governments are spending their tax dollars.

If you don't get answers to your questions, keep asking. Be polite, but don't take no for an answer when you know it's information your audience has a right to know. If an elected official refuses to answer your questions, be sure to include recordings of their refusal in your stories (or quotes if a publication). Consumers have a right to know what elected officials are doing to help them. Consumers are also voters, and elected officials know that.

Elected officials will often change or soften their stance on some issues during election seasons. Journalists should be on the lookout for those changes and call elected officials out by reminding them what they've said or how they've voted in the past. Record their responses to your questions and let the public know. The journalist's job is to find, confirm, and report the truth — not protect politicians who change their positions just in time for the next election.

Many professional politicians are hoping you forget about following up on stories because you are busy with so much news to cover. Politicians understand the 'news cycle' and count on it to keep them from being held accountable. Journalists need to be as smart, or even smarter, than politicians and not let them get away with anything. Once you start a story, don't let go. I remember one politician calling me a 'bulldog.' I know it wasn't his intention, but I took it as a compliment. **Bulldog.** I like the sound of that. We need elected officials to know that journalism exists to keep the government honest and on its collective toes.

FOIA Requests

There are other measures you can use to get to the truth about the economy. Use [FOIA requests](#) when necessary to get national or [state information](#). That includes local information as well. There are many things government leaders and employees don't want the public to know. That's also why "The Government in the Sunshine Act" was enacted in 1975. Many states also have 'Sunshine' laws that allow citizens access to government meetings and records. The laws are there — use them.

Some government employees will give you the information you request because of mutual trust developed over months or years of your covering their office. They know you will treat them fairly and honestly based on your history.

Some government employees will even call or text to give you a 'heads up' about information filed at their office. Government employees are also taxpayers and many care about their community, state, and country.

Be A Reader

I found during my career in journalism that being a ‘reader’ was an important part of my being a ‘writer.’ I started in the late 1960s by reading the Congressional Record every day Congress was in session. It was mailed to the station back then .. you can read it online now at <https://www.govinfo.gov/app/collection/crec>. I was especially interested in what our local and state representatives were saying and doing. If you’ve never read the Congressional Record before, give it a try. Searching topics and representatives by name is easy with the online version.

I read every local and national newspaper my station could afford to purchase. (That was also good training for the day when I wrote for two metro newspapers.) Today you can click on multiple local, state, national, and international news websites to get an idea of what’s the ‘news’ of the day, along with ideas for your own coverage.

Read books about a wide variety of topics. If you don't have one, get a library card and hang out at the local library. I didn't have the money to buy books when I was a young journalist, so I spent a lot of time at libraries studying subjects I was covering or planning to cover. You will find a lot of great books at your local library about economics, politics, history, journalism, etc. Once you can afford it, start building your own library of books that you can use for research on a variety of subjects.

Read all of the information available from the government offices you cover. If you don't find what you're looking for in an online search, visit the office in person and request to see current materials as well as information available in government archives.

Will this take time? Yes. Is it worth the time? Yes. The more you know and understand about any given topic, the better job you can do for your audience. They are counting on you!

September Inflation Stories (Examples)

- US mortgage rates climb to 7.31%, hitting their highest level in nearly 23 years. [CNN](#)
- US consumer confidence tumbles in September as American anxiety about the future grows. [Associated Press](#)
- Wholesale inflation, mortgage rates climb higher. [CBS News](#)
- Monthly inflation lifts to 5.2 per cent in August, as rising fuel, food and insurance prices hit households again. [ABC.net.au](#)
- First on CNN: Two out of three workers say prices are still rising faster than wages, new survey shows. [CNN Business](#)
- Two new inflation reports were just released. The Fed is watching. [Market Watch](#)
- Rising poverty grips Argentina as runaway inflation takes its toll. [Associated Press](#)

- Gas Prices Drive Latest Inflation Increase. [Newser](#)
- Job cuts and rising debt means things will get worse. [BBC](#)
- The head of the European Central Bank says interest rates will stay high enough to restrict business activity for “as long as necessary” to beat back inflation. [Associated Press](#)
- No more steak. Ordering out less. Here's how inflation is squeezing American diets. [USA Today](#)
- Gas Prices Have Crept Higher This Summer, a Challenge for the Fed. Now at their highest level in 11 months, they can complicate the Federal Reserve’s campaign to rein in inflation. [New York Times](#)



[1960s Radio News, © Mark McGee](#)