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Dean Starkman, **The Watchdog That Didn't Bark: The Financial Crisis and the Disappearance of Investigative Journalism,** Columbia University Press, 2014, pp. 362, $17.35 (hardcover).

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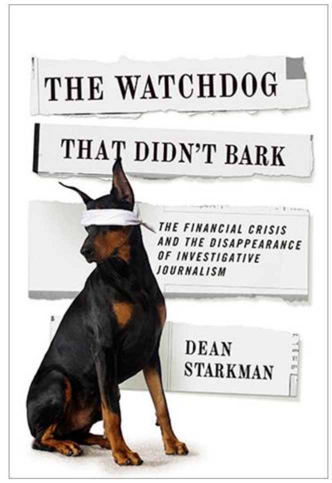

Michael Hudson, a reporter at the little-known magazine *Southern Exposure,* was able to capture a story that few journalists in 2004 were actually paying attention to—the rise of subprime mortgages and the poor federal regulation of a frenzied home-buying market. He realized what few journalists had: Through careful and diligent work, he foreshadowed the financial crisis to come. But in the larger story of the lead-up to the financial crisis of 2007–2009, the "watchdogs" of the American journalism landscape were clearly not on the job, as Dean Starkman argues in his book, ***The Watchdog That Didn't Bark.***

In a compelling account of business journalism history, Starkman outlines a theory of watchdog journalism that begins with the history of modern business news and brings us up through the reporting of the recent financial crisis. The problems with business journalism have a long, institutional legacy that was etched out in the beginnings of the 19th century, when, even then, publications from *Barron's* to the early *Wall Street Journal* (*WSJ*) failed to adequately investigate the practices of the businesses and the businessmen they covered.

Starkman offers an excellent and clear theoretical explanation for some of the problems with watchdog journalism generally. He divides journalism into two types: accountability journalism and access reporting. Accountability journalism, also called investigative journalism or watchdog journalism, is often in search of the "Great Story"—the long-form journalism that has a "subversive power" to bring light to bear on social problems, corruption, and beyond (p. 9).

Access reporting, on the other hand, relies on the information journalists acquire through interviews and the basic gathering of facts readily supplied for publication. This journalism is based on relationships, and while some of these relationships may be exclusive, the relationships between journalists and sources may result in a dangerous dance that prevents the revelation of information consequential for the public.

The attack on access reporting is not unique, particularly post–financial crisis. We can see such a conversation emerging in many of the critiques about the most recent Iraq war—consider, for example, Bennett, Lawrence and Livingston's (2008) account, *When the Press Fails*.[1] However, what is excellent about Starkman's account is that he brings together both examples of accountability reporting and access

[1] See http://www.amazon.com/When-Press-Fails-Political-Communication/dp/0226042855

reporting to show the potentials and pitfalls of each in one text. The theory is clear enough that the book's Introduction could be incorporated into an introductory journalism class.

The book begins with a history of muckraking. Although he mostly glorifies Lincoln Steffens and Ida Tarbell for their commitment to telling stories through an expansive approach to wider social problems, Starkman is also willing to dispel myths. For instance, he offers a critique of Tarbell: "[W]hile histories have generally vindicated her findings, they have included important caveats . . . flat-out mistakes and errors of emphasis" (p. 35). For example, in some instances Tarbell "described Rockefeller as the embodiment of evil," which was a departure from what Starkman calls her fact-based work and sober language.

Not many works have brought together the history of business news more generally. Starkman begins his account with the rise of business reporting from 1734 and the London-based *Lloyd's List*, a source of shipping news for those in the industry. And he continues this through the rise of explanatory journalism and the "corporate story" that glorifies executives and then leads us to the conditions that begat the savings and loan scandal.

But Starkman's chronology is a bit confusing. The chapter on muckraking, a progressive era movement, is presented before the business news history. Then another chapter follows to update us on the rise of modern muckraking in the business press, although the book's first substantive chapter has already discussed muckraking. The book could perhaps be more effective had it presented the Tarbell chapter closer to the text on the rise of modern muckraking.

Nonetheless, the book begins to make its central point in the next few chapters: that much business news is written entirely from the investor's point of view. This does not mean a story cannot be comprehensive, nor that it cannot provide important insights into the investigation of a business, for example. But it does mean that this kind of accountability reporting emerges inconsistently. So many business journalists focus on understanding the business fortunes of investors that they may overlook the larger social problems affecting others as a result of those investors' decisions.

What Starkman calls the "CNBCization" of business news offers an excellent explanation of the problems with the popularization of investor-focused business journalism—if we can even call it that. This "infotainment," found most readily on CNBC since 1980 (the station began as an entertainment channel), resulted from the increased market participation by the general public. Randy Martin (2002), for example, describes this phenomenon as the "financialization of every day life,"[2] whereby every person believes he or she can be a CEO (or is one in their own head). And the problem with this for the press leads to a cozying up of institutions and journalism, whereby softball questions become the norm, according to Starkman.

Starkman's attack on the much-lauded *Too Big to Fail (*2009) by Andrew Ross Sorkin of *The New York Times* is most welcome. Starkman describes how Sorkin's access to executives was so intimate that

[2] See http://www.temple.edu/tempress/titles/1615_reg.html

he could even describe how the CEOs felt while going about their daily activities. And even though the book pilloried the bad decisions made by Wall Street, Starkman points out that Sorkin was still celebrated by the very people he had theoretically attacked.

Beyond talking about journalism, Starkman also provides an important background for anyone who is curious about the rise of the subprime housing market. This account, which begins in the '90s, helps contextualize how a once–fringe market operated by shady dealers devolved into a form of investment widely adopted by the largest banks. His accounts of mortgage dealers working on quick commission, popping sales of mortgages to people who did not understand—and in some cases were not even *able* to understand—the agreements is disturbing.

This rise of the subprime industry was not unnoticed. The major newspapers, such as the *Times* and the *WSJ*, did cover the shady dealings. Journalists drew attention to hidden fees that these mortgages imposed on borrowers. And in 2000, journalist Diana B. Henriques of the *Times* did begin to draw a connection between the subprime mortgages and Wall Street. Starkman points out the singular reporting problem of the entire financial crisis: While the mortgage problems were visible, the banking problems were not. He looks at this from a content perspective, but I have found this as well from my empirical work with journalists who talked retrospectively about their work leading up to the crisis (Usher, 2013).

While in 2000–2003 a number of journalists investigated the problems with subprime mortgages, Starkman points out that this investigative journalism essentially vanished from the big newspapers by 2004. He looks closely at he *WSJ*, where he is emeritus. Starkman discusses how the newspaper's rocky finances and eventual purchase by News Corp in 2007 muted the emphasis in the newsroom on the big, Pulitzer "great stories" that would be the type of accountability journalism investigation to unravel some of the ongoing systemic problems. Other newspapers' failures to report substantial stories might also be attributed to their own economic woes.

The most valuable section of the book has already been published in the *Columbia Journalism Review*, entitled "The Power Problem" (2009), in which Starkman conducted a robust content analysis of business news. For this analysis Starkman and his team looked at *The Wall Street Journal, The New York Times,* the *Los Angeles Times, The Washington Post,* Bloomberg News*, Financial Times, Business Week,* and *Forbes.* The team asked these news organizations to supply Columbia with their best work. His conclusion, disturbingly, is that while there were some warnings of the subprime mortgage crisis to come, the business press was largely asleep at the wheel, championing earnings horseraces and the burgeoning profits of the real estate bubble.

The watchdogs fell asleep. Readers had no chance. Not all reporters were caught flat-footed, as some did publish punishing investigations. They did know, but they did not do enough. Perhaps one reason for this lack of sustained reporting was that the interests of business and the interests of journalism were too close to warrant in-depth accountability reporting. Perhaps it was journalism's diminished resources. Perhaps it was editors who weren't ready to pay attention to something below the surface. Whatever the reason, the press did not do its job.

Starkman concludes with some assessments about what we might consider regarding the future of journalism. From the perspective of business journalism, Starkman believes that the borrower-lender exchange during the mortgage crisis remains the "least understood, most understudied—and most pressing—area of inquiry left over from the crisis" (p. 288). From a general perspective, Starkman brings up his critique of the "future of news" consensus, which, as he describes it, envisions a networked news ecology where traditional news institutions play less of a role. This is insufficient, according to his argument. Combine this perspective with his pointed assessment that the economic foundations of journalism have eroded, and we have a real concern for the future of accountability journalism. Starkman makes a strong argument in his final pages: "It's time for the public to be let in on something reporters already know: accountability reporting is the thing" (p. 310). The question for the future is just how we can pay for it.

References

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