NRJ Book Reviews

Dean Starkman, *The Watchdog That Didn't Bark: The Financial Crisis and the Disappearance of Investigative Journalism* (New York: Columbia Journalism Review Books, 2014). Hardcover, 368 pages, $24.95

Review by Marc Edge

Dean Starkman has arguably emerged as one of the most incisive contemporary analysts of the news media business through his articles in the *Columbia Journalism Review*. As editor of *CJR*'s business news section The Audit, he has trenchantly dissected some of journalism's most pressing modern issues. His "Hamster Wheel" article in 2010 pointed to the do-more-with-less meme sweeping the news business as a result of the recent recession and a growing "digital first" focus. The following year, he caused no small amount of consternation with his article "Confidence Game," which outed what he called the Future of News (FON) consensus. He argues that the digital gurus pushing the FON consensus, mostly Big Apple academics, have played right into the hands of an increasingly corporate media ownership by justifying reckless and unnecessary cuts in newsroom staffing and thus marginalizing reporting in the public interest. Best of all, Starkman's analysis is usually delivered in a freewheeling, rollicking style, more so in his magazine articles than in his new book, *The Watchdog That Didn't Bark*, which is written in a more straight-forward, restrained style. In it, Starkman combines the Hamster Wheel and FON perspectives by examining how business journalism failed to investigate and hold accountable Wall Street banks and sub-prime mortgage lenders in the years leading up to the 2008 financial crisis. He does so by counterpoising the accountability reporting pioneered by muckrakers, whose journalism reined in the robber barons a century ago, with the access reporting more typical today, as exemplified by what he calls the "CNBCization" of business news. "What journalism was able to do in 1903 it could not muster in 2003," Starkman writes. "And that's tragic."

CNBC is hardly the sole culprit in the demise of accountability reporting on business, according to Starkman. He takes a methodically historical approach in showing how the *Wall Street Journal*, from its founding in 1889 by Charles Dow and Edward Jones, ebbed and flowed from access reporting to accountability reporting and back again. Its purchase in 1902 by Clarence Barron led to some of the worst journalistic excesses of the Roaring '20s,and its newsroom corruption even became a subject of post-crash Senate hearings. Bernard Kilgore helped revive the *Journal*'s fortunes as managing editor in the 1940s by emphasizing narrative journalism, and this long-form accountability reporting set the industry standard for decades. Since its purchase by Rupert Murdoch in 2007, however, the *Journal* has fallen back into mostly access reporting, according to Starkman, with a focus on merger and acquisition scoops at the expense of the investigative journalism, loudly disdained by its new proprietor.

Starkman, who was an investigative reporter for a decade and a business reporter for another decade, identifies two powerful forces now dominating the news ecosystem. The first is a corporatism that is hostile to accountability reporting, as expressed by owners such as Murdoch, Sam Zell and the late Al Neuharth. The second is a digitism that simply cannot accommodate traditional journalistic forms of accountability reporting. While he points to numerous examples of investigative journalism that muckraked the banks from 2000-03, Starkman deems this the last gasp for accountability business reporting, which abdicated its watchdog duty during the period of worst lending excess from 2004-06. This he attributes to two factors. The first was the decline of banking regulation, which had provided the raw material for investigative business journalism in the form of indictments, settlements, testimony, etc. As a result, "car salesmen" ran rampant in pushing $1.7 trillion in predatory subprime mortgages and home improvement loans on unqualified borrowers using high-pressure, "boiler room" tactics. The other factor was a decline in the financial fortunes of news media themselves, which Starkman says saw $60 billion in newspaper advertising in 2000 cut in half by decade's end. He points to the bursting of the technology bubble in the early years of the decade as hobbling newspaper reporting staffs with revenue declines and resulting layoffs. This is where Starkman's analysis stumbles slightly. According to Newspaper Association of America figures, print newspaper advertising revenues topped out at $48.7 billion in 2000 and indeed dipped almost 10 percent over the next two years. Yet they had recovered to $47.4 billion by 2005 and did not begin to decline precipitously until two years later with the recession and ensuing stock market crash. Most of the job cuts did not take place until closer to the end of the decade, which would exclude understaffing as an explanation for the business press failing to warn of the financial crisis. Starkman's reach also seems to exceed his grasp when he invokes theories such as Chomsky and Herman's Propaganda Model and Bordieu's Field Theory. As he is a journalist and not a scholar, such references bring to mind the old saw about a little bit of knowledge being a dangerous thing. Starkman is on much firmer ground engaging in historical and financial analysis in what is, all told, a fine read.

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