A Narrowed Gaze

How the business press forgot the rest of us

BY DEAN STARKMAN

Steve Lipin didn't fit the profile of a transformative media figure when he took over the mergers-and-acquisitions beat for *The Wall Street Journal* in 1995. His look was studious, his manner remarkably affable and low key, given the stress of his new job. His rise had not been particularly meteoric. ¶ He had started in 1985 at the bottom of the business-news food chain, financial newsletters, then progressed to *Institutional Investor*, a magazine for pension-fund managers, and then *American Banker*, another trade. In 1991, he followed his boss there to *The Wall Street Journal*, to cover banking. After four years of solid, unspectacular work, he moved to M&A, a beat that was at the time moribund.

Then the scoops started to come:

> KEMPER AGREES TO BE ACQUIRED BY GROUP HEADED BY ZURICH INSURANCE FOR $2 BILLION

That story, which ran April 11, 1995, reported that the financial services firm was ending a tumultuous year in which it had rejected a hostile offer from General Electric and had seen a friendly deal fall apart twice. The story was based on information from "people familiar with the transaction," a form of attribution vague enough to encompass just about anyone involved in the deal—investment bankers, lawyers, company executives, public-relations specialists.

The scoops got bigger and more frequent:

> FIRST UNION AGREES TO BUY FIRST FIDELITY FOR $5.5 BILLION — SWAP VALUED AT $65 A SHARE; COMBINATION TO CREATE 7TH-LARGEST U.S. BANK —June 19, 1995

> KIMBERLY-CLARK TO ACQUIRE SCOTT PAPER IN STOCK DEAL VALUED AT ABOUT $6.8 BILLION —July 17, 1995

> UPJOHN AND PHARMACIA SIGN $6 BILLION MERGER —August 21, 1995

Lipin's scoops ranged across industries: banking, consumer products, pharmaceuticals. It didn't seem to matter:

> BOEING AND MCDONNELL DOUGLAS ARE HOLDING MERGER NEGOTIATIONS — COMMERCIAL, MILITARY AIRCRAFT POWERHOUSE COULD SHAKE INDUSTRY — November 16, 1995

Week in, week out, Lipin seemed to get just about every

Hire me When the Miami Marlins announced in November that they would hire over 2,000 people, job seekers lined up, some overnight.

JOE RAEDLE / GETTY IMAGES

industry-transforming blockbuster: Chase Manhattan/Chemical (1995), $10 billion; WorldCom/MCI (1997), $30 billion; BankAmerica/NationsBank, a $60-billion deal in 1998 to form Bank of America, and in the same story BancOne/First Chicago NBD Corporation, $30 billion (the combined bank is now part of J. P. Morgan Chase, formed in 2000 with the $36-billion combination of J. P. Morgan & Company and Chase Manhattan Incorporated—another Lipin scoop.)

A handful of major scoops over the course of a career is considered a job well done for an M&A reporter. Lipin had, by my count, at least seventy, with a total value of more than half a trillion dollars. He was on prominent pages of the *WSJ* (A1, A3, C1, and B1), more than five hundred times in five years, which could be a record. Those who traded on Lipin's information early enough stood to make serious money. The WorldCom bid alone added $8 billion to MCI's value in a single day.

Most of the time, the names of the companies in Lipin's scoops had never been linked, let alone reported as combining. The stories often announced talks in progress, amplifying a sense of immediacy: this was news that *hadn't even happened yet*. They often said the deals "could be announced as early as today." (Full disclosure: Lipin was a colleague of mine at the *Journal*, and in 2009 and 2010 he was a funder of CJR's business desk, The Audit, which I run.)

Inside newsrooms and in the markets, major M&A scoops have an electrifying effect. Mergers represent big capital-allocation decisions affecting thousands of jobs and billions of investor dollars. And while M&A is routine on Wall Street, for most companies it is a one-time roll of the dice.

Insiderism, incrementalism, and scoopism began to rule.

An acquisition taken is a dozen alternatives foregone. Big deals are also benchmarks—important pricing moments that help determine values and, in fact, create realities. What was unthinkable one day—AOL/Time Warner, for instance—is reality the next. For a news organization, deal scoops create an aura of omniscience, a sense that it is plugged into Wall Street.

But Lipin's never-to-be-equaled run was part of a much larger wave, a transformation in business news itself. Business news was expanding greatly as the financial world itself ballooned and as millions of Americans began to invest in stocks in various forms in record numbers. The number of business-news stories, according to ProQuest's business-news data, jumped from about 168,000 in 1989 to 322,000 a decade later, a rise of 92 percent. It kept rising, to 538,000, last year. (One category of business publication tracked by ProQuest doubled over the last decade, to more than 3,700.)

M&A reporting, once the concern of specialists, also took off, propelled in part by a dramatic rise in M&A itself. The volume of M&A stories jumped from about 1,100 to about 4,600, more than 300 percent, from 1989 to 1999. According to ProQuest's tagging system, which provides a rough guide, this rise was even faster than the number of deals themselves, which rose 187 percent, from about 12,800 to 36,800 during the period, according to Thomson Financial. (Both deal stories and deals dropped and then rebounded after the Tech Wreck in 2000, but continued to grow to about 4,900 and 43,000, respectively, in 2009.)

Meanwhile the nature of business news was changing. The changes were reflected in the very names of the new outlets: The Street (launched in 1996), Marketwatch (1997), *Fast Company* (1995). The names promised an insider's perspective, a fixed gaze on markets, and the latest news, no matter how granular.

But even as it expanded, business news, paradoxically, was narrowing. Following the middle-class stampede into stocks, business news ramped up quantity but increasingly shifted its gaze toward investor concerns.

I like to call this shift in emphasis the "CNBC-ization" of business news, after the network that so definitively represents it. CNBC emerged in its current form in 1991. Yet the shift also seems to represent something less modern: a return to the business press's early twentieth-century roots as a servant to markets—and a retreat from its later role as watchdog over them.

CNBC-ized news emphasizes speed over depth, immediacy over context, internal metrics (e.g. earnings) over external costs (say, predatory lending and its aftermath, or income inequality and its roots). It is about insiderism, incrementalism, and scoopism. It tethers itself to the daily flow of corporate and government announcements (e.g. deals) and avoids the harder job of exploring systemic problems. Its definition of what is and isn't a business-news story is as narrow as its definition of who is and isn't a business-news source.

The conceit of providing news in "real time," in fact, tends to substitute fragmented, context-free data for a comprehensible narrative. And let's not kid ourselves: the latter is a lot harder, journalistically, than the former. This staccato news style suits the production imperatives of live TV, and, unfortunately, the Internet, at least for some journalists. It may cater in certain ways to the needs of the cognoscenti, the people already in the know. But it has little to do with the way in which a curious layperson—what historian Richard Hofstadter called the "literate citizen" (that is to say, most of us)—comes to understand complex problems.

Of course, CNBC-ized news isn't all of business news, just a strain of it, just as investigative, accountability-oriented business reporting is another strain. The problem is that, since the 1990s, it's become the Andromeda Strain. This is not about choosing between the two. It's about balance.

IN THE AFTERMATH OF THE FINANCIAL CRISIS OF 2008, AN argument broke out between news professionals and a segment of the public over how well business media had performed its watchdog role in the years leading up to the crisis. The disconnect was crystallized in Jon Stewart's celebrated interview/dressing down of Jim Cramer, the CNBC personality, in March 2009. Stewart's critique wasn't perfectly well articulated but it resonated as an essentially valid question: How could so many journalists covering a beat so closely miss something so big so completely?

Insiders tended to dismiss the critique, believing either that the premise was invalid (the business press didn't miss the story) or that Stewart was talking to the wrong person (whatever Stewart was looking for—muckraking? accountability journalism?—that's not what Cramer and CNBC actually do all day).

Yet Stewart had put his finger on a fundamental tension within business news itself about its role and its audience: Whom does it serve, investors or the public? The argument over what business news actually is has never been resolved within newsrooms, or even properly articulated.

And it needs to be. Investors and the public are two very different audiences, requiring very different approaches to newsgathering. Serving the public requires an accountability orientation—a frame broad enough to take in social and external costs, as well as the time and space to lay out a case. Serving investors requires a Lipin-like approach: access to insiders, speed, and a focus on internal metrics like earnings.

This divide actually goes way back. Historians trace the market for business information to seventeenth-century Europe, when a financial press rose to track growing shipping and commerce, and then greatly expanded in the early eighteenth century with the growing popularity of joint-stock companies, including the notorious South Sea Company. (Economist Robert J. Shiller has pointedly noted that

the first financial bubbles arrived at the same time as the first financial newspapers; one fueled the other.)

In the US, the first newspapers essentially were commercial papers and, as in Europe, underpinned markets and pricing systems. Indeed, financial communications proved to be a precondition for capitalism itself. Dow Jones & Company, the future parent of *The Wall Street Journal*, started as essentially a news-relay service on Wall Street. The dour Charles Dow and the dandy Edward Jones would dispatch messenger boys from the dingy company offices on Wall Street with pieces of paper conveying the latest corporate news to Wall Street investors. The company's big competitive advantage was a special stylus developed by a third, and now-forgotten, founder, one Charles M. Bergstresser (I think of him as the third tenor of Dow Jones), which could produce more than two-dozen copies with a single impression. Then, as now, speed meant the difference between relevance and the lack of it. Reporters staked out corporate board meetings, and, if phones weren't available, would run to a window to signal a colleague in the street through some prearranged system: one wave of a handkerchief might mean, "no extra dividend"; four might mean, "merger off."

Then, as now, access to insiders was essential. Jones, who would go on to work in a stock brokerage, was known for his contacts up and down the Street. Lloyd Wendt's 1982 history of *The Wall Street Journal* recalls this chance encounter between Jones and William Rockefeller, John D. Rockefeller's brother and a Standard Oil executive, on Broad Street one day:

> Rockefeller: "Edward, would it mean anything to you to get a little advance Standard Oil news?"
>
> Jones (beaming): "Kind sir, would you dare say that again?"
>
> Rockefeller: "Here's something I jotted down for you, if you care to use it. Only, please, keep your authority confidential!"

And Dow Jones had another scoop (about a dividend increase).

This was highly specialized, elite communications targeted specifically at investors and not intended for the general public—which, understandably, stayed away in droves. The *Journal*'s circulation in the first decade of the twentieth century languished under 10,000; it was a glorified newsletter.

The muckraking periodical, *McClure's*, by contrast, peaked at nearly half a million, bigger, proportionally for the size of the US population, than *The New York Times* is today. And while the early financial press could be surprisingly good—accurate, reliable, sometimes skeptical—it displayed no ambivalence about its role as a servant to investors. Its pages reflected that approach: a jumble of the latest corporate news, government data, commentary, analysis, and editorials (and many ads) presented with little context and with an assumption that the reader knows the lingo and the players. It was rather like an hour of CNBC today.

A page-one item on February 3, 1905, under the headline: UNITED STATES LEATHER, begins this way: "There is authority for saying that a majority of the capital stock of the US Leather Co. has been deposited with the Central Trust Co. for the purposes of carrying out the proposed reorganization plan." And here's a page-one headline from May 28, 1906:

> NORTHWEST CROPS: FAVORABLE CONDITIONS EXCEPT IN RED RIVER VALLEY — DISCOURAGING NEWS FROM IOWA AND MISSOURI

It's not that the early business press opposed muckraking or public-interest reporting. As I've noted in CJR's pages before ("Confidence Game," November/December 2011), the fledgling *Wall Street Journal* covered parts of Ida Tarbell's monumental *McClure's* series on the Standard Oil monopoly, and, sometimes, editorialized in support of it. But it took a narrow view of its journalistic mandate. After a Tarbell installment that offered evidence that Standard had conspired with railroads to cut competing refiners from markets, for instance, the *Journal* called on Tarbell to present more evidence and declined to do its own reporting:

> We shall not attempt to follow her in this field of inquiry. It is a field which the United States Government, through its Bureau of Corporations, has already entered. If the Standard Oil Company has entered into a conspiracy in restraint of trade in Kansas, the Bureau of Corporations ought to discover the fact....

It was only much later that the business press took on a more public-interest-oriented mission as well. And it was business news's ability to achieve—finally—some distance from the institutions it covers that allowed it to broaden its appeal to large segments of the middle class after World War II. Scholar Andrew Yarrow chalks up the metamorphosis to the postwar expansion of the American middle class and the creation of a managerial class. The business press knew a new market when it saw one, and broadened its scope to serve it.

In fact, *The Wall Street Journal*'s survival and ultimate business-news dominance can be traced directly to a decision in the early 1940s by its brilliant chief, Bernard Kilgore, to radically transform and broaden the very definition of business news. Kilgore threw out all manner of business-news conventions: including the inverted pyramid, the jargon, and, most important, the idea that business news had to be geared to insiders ("There are a hell of a lot more depositors than there are bankers," as he once put it). He created, in essence, a storytelling factory, capable of cranking out two long-form stories a day, plus the popular, quirky page-one feature known as the A-hed. He had a high-enough opinion of readers to believe that they would appreciate depth and narrative, as long as both were done well. His paper would become one of the journalism success stories of the second half of the twentieth century.

Much of business-press history since Kilgore has been one long struggle—sometimes successful—to transcend its roots as a servant to markets, and to become, in addition, a watchdog over them. The list of misbehaving industries exposed in investigations and analyses over the years by the business press—tobacco; auto; liquor; chicken plants; medical devices; even, once in a while, sort of, Wall Street—is long and impressive. Nonbusiness institutions, too, like government and unions, have come under business-press scrutiny.

Yet all along, investor-oriented news had the upper hand, understandably. The scholar James W. Carey memorably called "the public" the "god term" of American journalism. In business journalism, the god term, or at least one of them, is "investors." It views protecting investors, particularly small investors, as central to its mission.

As it should. But here's the problem: the interests of investors, even small ones, should not be confused with the public interest, which is much larger and, by definition, more important.

Business-news organizations often conflate these missions, leading to significant conceptual confusion, not to mention misunderstandings like the one that broke out between Jon Stewart and Jim Cramer. Cramer believes he is looking out for investor interests, particularly the little guy, the retail investor. Maybe. But even if he is, as Stewart pointed out, those interests may have little to do with the public interest.

For example: during the mortgage bubble, no one was happier about bank behavior than bank investors, retail or otherwise. In 2005, Citigroup posted net income of, wait for it, $25 billion, one of the highest public-company profits in absolute terms in US history. The reality distortion was so great, and the investor perspective so mesmerizing, that *Fortune* would ruminate in 2007 that Citi's Charles Prince was in trouble because of the company's "less-than-stellar" earnings in 2006—a mere $21 billion. As we all know now, such profits were tied to behavior by the banks—predatory lending turned into toxic debt—that would end in catastrophe.

Given the Savings and Loan Wreck, the Tech Wreck, and, most especially, the Mortgage Wreck, one could argue that investor-oriented business news doesn't help investors much either. And I would, to a point, agree. But it should at least be clear that investor-oriented news—no matter how well executed—is not the same as public-interest business reporting. If we do nothing else, let's get that straight.

I WOULD ARGUE FURTHER THAT CNBC-IZED REPORTING— granular, hurried, insider-dependent, and riveted on the (short-term) needs of investors—should be thought of less as coverage of the financial system than an extension of it.

In 1995, around the same time Lipin assumed the M&A beat, another pivotal moment in the evolution of business news came when the New York Stock Exchange, for the first time, allowed a journalist to report live from the exchange floor. Maria Bartiromo, a Brooklyn native, had worked for Lou Dobbs on CNN's *MoneyLine* when she was hired away by Roger Ailes, the Republican political consultant-turned TV executive, who put her on the air at CNBC. The deal with the NYSE came two years later. The pretty, well-coiffed, twenty-seven-year-old reporter presented an arresting TV image: equipped with headset and clipboard, she stood on a busy floor amid bristling technology and milling traders. Occasionally brushed and jostled, she stood her ground, coolly rattling off information—analysts' calls, earnings estimates, company news—with an air of steely competence and a hint of vulnerability. Sex, power, money—a heady brew in a single frame. The combination was not lost on New York's tabloids, which dubbed her the "Money Honey."

Like Lipin, Bartiromo was unknown at the time, and so, for that matter, was her network. But something was changing in the culture.

As recently as the 1950s, the very words "Wall Street" carried such negative and parochial associations that Kilgore, the *Journal*'s chief, more than once considered changing the paper's name (*World's Work* and *Financial America* were kicked around and, thankfully, discarded). But by the 1980s, middle-class Americans were moving into the stock market, driven by many factors: 1970s-era inflation, which outstripped savings-account interest rates; the abolition of fixed-rate commissions in 1975, which lowered the cost of trading; the bull market that began in 1982; the marketing prowess of Fidelity and its ilk. The percentage of Americans who held stocks jumped, from 13 percent in 1980 to 32 percent in 1989.

By 1994, Joseph Nocera could write *A Piece of the Action: How the Middle Class Joined the Money Class*, which declared that the America middle class had pushed aside elites to join in the stock market:

> The financial markets were once the province of the wealthy, and they're not anymore; they belong to all of us. We've finally gotten a piece of the action. If we have to pay attention now, if we have to spend a little time learning about which financial instruments make sense for us and which ones don't, that seems to me an acceptable price to pay. Democracy always comes at some price. Even financial democracy.

The trend Nocera identified was only beginning. In 1994, Americans had indeed moved en masse into mutual funds, but kept nearly as much in bond and money funds as stock funds. But by the end of the 1990s, the public had $4 trillion in stock funds, compared to only $808 billion in bond funds and $1.6 trillion in money markets. At the turn of the twenty-first century, nearly half of all Americans owned shares in one form or another. Maggie Mahar, in *Bull! A History of the Boom, 1982–1999* (published in 2003 and essentially a grim bookend to Nocera's optimism), uses polling and other data to show that most middle- and lower-income Americans who owned stocks in 2001 only started buying them after 1996. Of households with financial assets of less than $25,000, an alarming 43 percent made their first stock purchase in 1999 or later—and almost certainly lost money.

While it is reasonable for the business press to have adapted to this changing investment landscape, its emphasis on the stock market was almost certainly overdone. According to a 2010 paper by Edward N. Wolff, a New York University economist, about half of American households indeed own stocks in some form, but only 18 percent owned shares directly as of 2007, and thus could conceivably benefit from CNBC-ized financial news. Only 22 percent of households owned stocks worth more than $25,000 in any form (including mutual funds or pension accounts), and stocks as a percentage of total household assets were only 16.8 percent. (Of course, stock market wealth was skewed toward the wealthiest 1 percent, which held nearly half of stocks and

CNBC was modeled on *SportsCenter*; the game was the trading day.

mutual-fund assets; the bottom 90 percent held 10.6 percent.) What's more, global debt markets are roughly twice the size of the stock market, and, as Gillian Tett noted in her book, *Fool's Gold*, they receive scant attention from the business press.

In any event, CNBC and its market-focused competitors rose to serve the growing ranks of amateur investors. Consciously modeled on ESPN's *SportsCenter*, CNBC programming consisted of pre- and post-"game" reports, along with in-game interviews—the game, of course, was the trading day. Viewers got a sense of connectedness to the inner workings of the financial system. During trading hours, a ticker streamed price changes of shares and indices. CNBC has done some fine documentaries over the years, but they are hardly the main event.

These days, the ticker includes such esoterica as the spot price for West Texas Intermediate crude oil, a light crude refined mostly in the Midwest and Gulf states, as traded on the New York Mercantile Exchange, "WTI/NYMEX." Here is news fragmentation carried to some postmodern extreme. But, really, it's nothing more than messenger-boy journalism digitized: old wine in a new bottle.

As Howard Kurtz recounts in *Fortune Tellers* (2000), a major preoccupation of the network involved winning deal scoops and getting early word of Wall Street stock analysts' buy-and-sell recommendations, a task at which Bartiromo proved particularly adept. The network played a big role in elevating a few analysts to star status—Goldman's Abby Joseph Cohen, Merrill Lynch's Henry Blodget, Prudential's Ralph Acampora. "Abby says the market will go up; Ralph says the market will go down," CNBC personality Ron Insana intoned in 1999, as quoted by Kurtz. "The tug-of-war of titans."

In its own eyes, CNBC saw itself as a force for the democratization of finance. Its executives claimed their mission was to provide everyday people the same information as that available to professionals. By the end of the '90s, as the tech-heavy NASDAQ stock index roared from 450 to more than 5,000, CNBC had attained an influence far beyond the size of its viewership, which has bounced around the 250,000 range for years, a fraction of the circulation of the *Journal*. Celebrities like Regis Philbin, Charles Barkley, and Andre Agassi declared themselves fans. Joey Ramone wrote a song about Bartiromo ("What's happening with Intel? What's happening with Amazon? I want to know…Maria Bartiromo"). Print journalists trooped to CNBC's studios in New Jersey to proclaim its cultural ascendency. "The Revolution Will be Televised (on CNBC)," said *Fast Company*, in an 8,000-word story that called the network "the live feed of the new economy."

The story was dated May 31, 2000. The NASDAQ was at about 3,400, already falling sharply from its all-time highs.

Other commentators sensed a problem. In a *Columbia Journalism Review* special issue at the end of that year, "News in the Age of Money," Diana Henriques, a *New York Times* reporter, worried about changes to business media's sense of purpose:

> As the 1980s rocketed along, our "readers" became "consumers." As the 1990s unfolded, those "consumers" morphed into "investors…"
>
> A sad thing has happened along the way: as our intended audience has gotten narrower, so have we. Business news today rarely sounds the sonorous chords or heart-lifting themes of great journalism. Most of its simply buzzes and squeaks, a reedy clarinet against a rhythm section of cash registers and ticker tape.

Even Lipin conceded that something in business news changed as outlets multiplied in the 1990s. As he told Mahar:

> The flood of news forced all media to be more aggressive. And as a mergers-and-acquisitions reporter, there was an immediacy to my job. Company A may be buying Company Y. You don't want to be irresponsible, but you don't want to be beaten by the competition either. Do I wish I had been more skeptical? Given that all the acquirers have blown up and half of them are in jail? Yes. But at the time, when you're covering daily events, you can't always sit back and reflect. In retrospect, should we have done more of those reflective stories? Maybe. But rightly or wrongly, we also took our cue from how the market reacted to the deals.

It's worth pointing out that, as Lipin indicates, many of the mergers and acquisitions trumpeted by news organization turned out to be value-destroying disasters (and, yes, as he indicates, some, like WorldCom, ended in fraud). One classic book on M&A, Mark L. Sirower's *The Synergy Trap*, written in 1997, argues that a majority of mergers destroy value in the acquirer.

Meanwhile, what about business stories in the broader public interest? They still get done. In fact, CJR will showcase some of the best of them in our upcoming book, *Best Business Writing 2012*, this spring. But in a CNBC-ized world, such efforts need support.

In a 1999 study of coverage of the "financial revolution" in mass media (not the business press), including newsmagazines (like *Time*) and newspapers (like *The New York Times*), Harvard scholar Richard Parker documented a sharp rise in M&A and personal-finance reporting accompanied by an absolute (not relative) decline in coverage of business-oriented, public-interest topics, such as "reform and regulation," "Glass-Steagall" (then in the process of being repealed), and "redlining and community reinvestment." The study concluded that the press produced an "oversupply" of market and personal finance news, and had done "remarkably little to play an aggressive 'watchdog' role" on financial and economic issues. It certainly seems that way to me, too.

DEAL REPORTING HAS HAD ONE CLEAR BENEFICIARY: NEWS organizations themselves. Such reporting played a key part

of the rise of CNBC, for one example. While CNBC's David Faber never approached Lipin's record on M&A scoops, the significant scoops that he did obtain went a long way toward establishing his network's bona fides as a player in newsgathering, as opposed to opinion-making.

A similar claim could be made of a *Financial Times* reporter of that era, Will Lewis. Though the London-based paper had been publishing in New York since 1985, its presence on the US business-media scene was marginal through most of the '90s. That began to change in 1997 when its parent, Pearson PLC, made a $160 million global-expansion push that included launching a US edition and publishing it in seven US cities. US circulation grew from just 34,000 in 1996 to 125,000 in 2001.

Many factors contributed to this success. But the *FT*'s string of M&A scoops during that era, many by Lewis, helped. In 1999, Lewis and the *FT* shocked the business-media world by revealing Exxon Corp.'s plans to buy Mobil Corp., citing sources close to both companies. The deal, eventually valued at $81 billion, was a record at the time. After Exxon-Mobil, deal scoops became a major selling point in *FT* marketing. A 2000 Pearson press release announcing the opening of the *FT*'s new US headquarters cited the Exxon-Mobil scoop and "countless other high-profile mergers" as evidence of the paper's prowess in breaking "stories of international and domestic import." In a 2001 cover story on the *FT*'s rise in *BusinessWeek* ("The *Financial Times* Takes on the World"), the paper's US managing editor at the time, Robert Thomson (who now holds that job at *The Wall Street Journal*), pointed to the paper's success at wresting deal scoops from the *Journal*. Cheekily, he boasted that while the *Journal* was good at covering "midsize companies doing middling deals in the Midwest," the *FT* was capturing the more glamorous global deals. "It's a Lexus-Taurus thing," he said.

A successful run on the M&A beat became a career launching pad, too. Lipin, after a promotion at the *Journal*, parlayed his success and considerable contacts in the M&A world into a lucrative post running the US operations of Brunswick Group, a corporate communications firm. Nikhil Deogun, who succeeded Lipin and enjoyed his own impressive run, would rise to deputy managing editor at the paper; he is now a top news executive at CNBC. And after promotions within the *FT*, Lewis rose within British journalism circles to become the youngest-ever (at thirty-seven) editor in chief of *The Daily Telegraph* in 2006; he is now an executive member of the Management and Standards Committee at News Corp. Faber remains one of CNBC's top personalities.

Few business journalism careers have been as meteoric as that of Andrew Ross Sorkin, who through a series of deal scoops almost single-handedly propelled *The New York Times* to new prominence in business news. In 2001, according to a 2009 profile in *New York* magazine by Gabriel Sherman, Sorkin developed the idea for DealBook, the then-innovative idea of a free, e-mailed newsletter of major merger news of the day. Within months, Sorkin more than doubled his hoped-for goal of 30,000 subscribers. Today it has more than 200,000. Before he was thirty-one, he was awarded a section-front column and made an assistant editor of business and finance news. Last year, Sorkin added a new job: in addition to editing DealBook, he is co-anchor of *Squawk Box* on CNBC. It makes sense.

Sorkin, in the *New York* profile, shrugged off the charge that he is too close to his sources and conceded that his style is not adversarial. "I don't come to the table with an ax to grind—that helps me," he says. At another point he says: "I think to the extent that I've been able to get inside the room, it's a function of hopefully coming to the table and being fair and open. But also coming to the table and being sufficiently skeptical, but not cynical."

But the question is not whether a reporter is either skeptical or cynical; the question is, About what?

To complain that a deal reporter is too close to his sources is like complaining that a baseball player's bat is too close to the ball. The idea is to connect with the ball, just as the idea of deal reporting is to get close to a source and get the scoop. Deal reporting is perhaps as transactional a relationship as any in journalism. It often involves an intricate negotiation between reporter and source. Being close to sources is, essentially, the point.

I argued last year (in "The Price of Admission," CJR, March/April 2010, my review of Sorkin's financial-crisis best-seller, *Too Big to Fail*), that this access/accountability duality should be understood as nothing more than what it is: a division of labor. Both are good. But they're different.

As the effects of the great crash grind on, however, it is time to rebalance that division, and to rethink our idea of the financial-news "revolution"—a term that has proved more literal than *Fast Company* may have realized a decade ago. Far from marking a break with the past, as the magazine implied, the rush to provide narrow, market-serving news was a revolving of the wheel of history a full turn, back to business journalism's narrow origins as messenger service between market participants. What Dow, Jones, and Bergstresser did with a special stylus and a platoon of messenger boys, CNBC-ized news does with modern tools.

Investor-focused reporting was ascendant as the twenty-first century dawned, just as the financial system was entering a fateful phase. At the same time, the media business itself was undergoing a radical dislocation, one that continues. We have crossed over into a new media era, one in which the rules, norms, forms, and whole institutions are in flux. There's reason for both hope and despair.

Still, the choice facing business journalism in the wake of the Crash of 2008 isn't so different from the one facing the field after the Crash of 1929: you can shrug off the event and double down on market-serving news. Or you can step back, rethink the mission, and relearn the lesson of the great Barney Kilgore: serve the market while also looking beyond it. That is to say, there's really no choice at all. **CJR**

DEAN STARKMAN *runs The Audit, the business section of the* Columbia Journalism Review, *and is CJR's Kingsford Capital Fellow.* *This article was presented with the assistance of The Nation Institute, for which we are grateful. It will inform Starkman's book,* The Watchdog That Didn't Bark: the Financial Crisis and the Financial Press, *to be published in the fall of 2012 by Columbia University Press as art of the new Columbia Journalism Review Books series.*