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Mechanisms of Liberal Bias in the News Media versus the Academy

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DANIEL SUTTER

Ideas exert immense influence on life, as observed by thinkers as diverse as John Maynard Keynes and Ayn Rand. Modern models of democratic politics incorporate the citizens' policy preferences, but the available ideas in society ultimately shape these preferences and the citizens' views of how policies affect outcomes. In the long run, the market for ideas significantly affects economies.

The market for ideas and information has two segments: the generation of ideas and the transmission of these ideas to the general public. Ivory tower academics and the news media are important components of the market for ideas. Given the influence of ideas on policy, it is not surprising that many observers have expressed concern over the apparent left-liberal bias in both the media and the academy favoring greater government direction of society:

Journalism is inherently subjective; a journalist's approach to a story invariably reflects his opinions. No one would accept the statement of a Ku Klux Klansman, in line for a judgeship, that he was capable of applying the civil rights laws objectively, without regard to his personal opinions. Yet the argument is advanced by members of the media that a reporter can cover

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George Bush fairly even if he believes that Bush is a tool of fascist warmongers and racist plutocrats. (Bozell and Baker 1990, 1)

[P]art of what *really* bothers so many liberals . . . is that there even exists a more conservative alternative to the mainstream news outlets. Liberals . . . had the playing field to themselves for so many years, controlling the rules of the game, that to them it had come to seem the natural order of things. (Goldberg 2003, 12)

With a few notable exceptions, most prestigious liberal arts colleges and universities have installed the entire radical menu at the center of their humanities curriculum at both the graduate and undergraduate levels. Every special interest . . . and every modish interpretive gambit . . . has found a welcome roost in the academy, while the traditional curriculum and modes of intellectual inquiry are excoriated as sexist, racist, or just plain reactionary. (Kimball 2008, 5)

The radical cohort . . . is now a large and influential presence and in some cases an imposing majority on liberal arts faculties and the governing bodies of national academic organizations. As a result, it has been able to transform significant parts of the academy into agencies of political and social change. (Horowitz and Laskin 2009, 9)

Political bias in the market for ideas is in essence a claim concerning the performance or efficiency of this market. Concerns about left-liberal bias among intellectuals are not new; Ludwig von Mises ([1956] 1972), Friedrich Hayek (1960), and Robert Nozick (1998) discussed this topic.¹

The available evidence clearly establishes that more journalists and academics in the United States are Democrats or liberals than Republicans, conservatives, or libertarians (Lichter, Rothman, and Lichter 1986; Weaver and Wilhoit 1996; Cardiff and Klein 2005; Klein and Stern 2005) and that this disparity of numbers may affect the substance of research, writing, and teaching (Groseclose and Milyo 2005; Kimball 2008; Horowitz and Laskin 2009; Gentzkow and Shapiro 2010). Yet such evidence is the equivalent of circumstantial evidence in criminal proceedings and not totally satisfying. Work product, for instance, may not reflect political views; both journalists and academics employ methods designed to keep personal views out of their work. Positions on specific issues also depend on the facts. News stories that take global

1. Mises and Hayek's concern is probably inevitable. The lure of intellectual convergence to the "truth" is powerful. If Mises and Hayek were correct about the impossibility of socialist planning, then the question naturally follows as to why so many other seemingly intelligent social scientists would mistakenly support socialism. Accusations of bias thus may always plague the market for ideas.

warming as a fact and research by health economists in support of government-run health care are not necessarily biased; without independent access to the “truth,” we can never demonstrate biased misrepresentation of the truth by news coverage or academic research. An examination of the news industry’s and the academy’s institutions and incentives therefore usefully supplements the available evidence. In other words, discovery of a compelling motive can make circumstantial evidence look much stronger.

In this article, I present a comparative institutional analysis of news reporting and the academy to help provide perspective on charges of bias in each sector. Three differences appear significant. The first is in the nature of the marketed product. The media markets news to a general audience, generating revenue either directly through audience payment or indirectly through advertising. Either way, attracting customers is closely tied to revenue generation. In contrast, academics produce student credit hours and research reports consumed primarily by other academics. Neither product results in substantial feedback in the form of revenue from the larger society. The second difference is the nature of employee compensation. On-the-job consumption in various forms seemingly constitutes a larger share of professors’ total compensation. If bias in research and teaching were to reduce universities’ revenues, this reduction would be offset by professors’ lower monetary compensation. The third difference is the lack of a residual claimant for nonprofit private or public universities compared with private ownership of the media. Although the lack of a profit motive might be thought to be the major difference between the sectors, its effect is primarily to increase the persistence of bias when or if it develops. The lack of a residual claimant reduces the likelihood of radical measures to overhaul a poorly performing, bias-ridden university department. The lack of a profit incentive can combine with the almost nonexistent revenue effect to create scope for administrators to indulge bias or other prejudices in hiring.²

News Media Bias

The news media market a product, whether it be a newspaper, a magazine, a TV broadcast, or Web site material. The media in the United States (and now in most countries around the world) are privately owned for-profit companies with residual claimants. The owners’ interest limits the potential for liberal bias if this bias reduces the audience for news. A liberal bias across most or all outlets in a segment of the news market will likely result in lower revenues, owing to alienation of conservatives and libertarians and a division of the remaining audience (Sutter 2001). The reduced

2. Higher education does have a modest and growing for-profit segment (Coleman and Vedder 2008). These universities support little or no faculty scholarship and use standardized course content, which should reduce the extent of faculty bias. If these schools represent what higher education would look like if more extensively supplied by for-profit schools (which I doubt), I would increase the weight assigned to nonprofit status in the comparative institutional analysis.

revenues can result either directly through reduced consumer purchases or indirectly through lower advertising rates. The reduction in profits at some point will provoke action by the owners to limit bias. Managers need not be perfect agents of owners, and owners may not respond immediately, but lost revenues and profits will eventually provoke action by owners to control a liberal news bias.

Two factors can offset news owners' incentive to limit bias. First, liberal news may not significantly reduce the audience, either because consumers fail to discern the bias or because potential consumers are disproportionately liberal (Goff and Tollison 1990) or because a left-liberal orientation makes for more interesting and marketable stories (Sutter 2004). Many news consumers may be unable to detect partisan bias in a story or unaware of alternative potential stories or angles. Customer preferences explain bias only if liberal news produces a greater audience than unbiased news, and if we are to explain bias across most or all media outlets, the audience must be extremely liberal; if there are three news outlets, moderates and conservatives cannot make up more than one-third of the news audience (under standard assumptions of a spatial model) for all three outlets to maximize revenue by supplying liberal news. Bias that does not adversely affect the audience might be regarded as benign, but this conclusion is not necessarily correct. By affecting the information that news consumers receive, hidden bias can affect voters' policy preferences on specific issues.

Second, bias can potentially reduce costs. The most likely means by which biased reporting lowers cost is if liberal reporters value indulging bias in their work. If reporters accept lower salaries in order to report with a liberal bias, or, alternatively, if news organizations have to pay a compensating wage differential for neutral or conservative reporting, bias can lower cost and potentially offset any loss in revenue. The prevalence of liberals among the ranks of reporters provides plausibility to the compensating-wage-differential hypothesis. But although surveys consistently reveal that more journalists self-identify as liberal than as conservative, typically fewer than 50 percent of reporters identify themselves as liberal.³ Thus, the median reporter does not appear extremely liberal, which should limit the size of the wage differential. In addition, many journalists also value being good reporters, which involves reporting the news without bias.

A force exists to limit bias in the news media: the incentive of owners of for-profit news companies and entrepreneurs who might exploit an opportunity to provide unbiased or conservative news. Thus, liberal bias in the commercial news media provokes its own reaction as long as bias eventually reduces revenues and profits. The

3. For example, 48 percent of the reporters studied by David Weaver and Cleveland Wilhoit (1996) describe themselves as liberal versus 22 percent as conservative and 30 percent as moderate. These numbers may understate reporters' liberalness because of frame-of-reference effects; a reporter who is liberal relative to the national median voter may appear moderate in comparison with even more liberal coworkers. The misrepresentation of views, however, would have to be considerable to result in sufficient bias among reporters to produce a significant salary effect for mainstream news organizations.

response need not be perfect, but the greater the bias, the greater the reduction in profit and the greater the likelihood that owners will respond.

How the Academy Differs

The academy differs from the news market in three main ways. First, the vast majority of colleges and universities comprises either nonprofit organizations or public (or quasi-public) enterprises. Therefore, universities have no residual claimant to benefit from correcting bias that hurts organizational performance. Second, academics do not produce a product sold directly on the market, and hence there is no representative audience that might be alienated by a biased product, as in the case of news reports. Liberal bias produces much weaker feedback for a department or university than for a news media company. Third, research is in large measure a consumption good, and many academics want to indulge their ideology in their research and teaching. Academics accept lower lifetime earnings relative to fields such as business, law, and medicine, and nonpecuniary or on-the-job consumption benefits constitute a larger share of their total compensation.

Although lack of a profit motive might appear to be the most significant difference between the universities and the news media, it is not the most important difference, at least as commonly interpreted. Universities have constituencies who value reputation—administrators (whose job prospects depend on their university's *U.S. News & World Report* ranking), alumni, and faculty—and who create pressure for performance. Nonprofits face scarcity, so administrators must balance competing demands for resources (for example, faculty lines) across departments. In a nonprofit environment, administrators may lack the information and incentive to calculate the most efficient use of resources, but the loss of efficiency, given the proxies of value available (for example, student demand for a major), is relatively modest. The lack of a residual claimant plays a secondary role, combining with the nature of faculty outputs to create space for bias and to reduce administrators' incentive to take action to counter bias once it has been established.⁴

The “Marketing” of Faculty Products

The two main faculty products, research and teaching, are not sold on a market in the same fashion as news reports or most other products. Peer review stands at the heart of academic publishing. Research is produced for other practitioners to earn prestige rather than to accrue a direct cash payment (Thornton 2004). Academic researchers

4. Universities differ from firms in being organizations without a carefully specified purpose (Clotfelter 1996). The term *multiversity* has been applied to describe the many different teaching, research, and service tasks performed in today's research university, and it illustrates the contrast with the typical business firm. In addition, tenure makes faculty more like independent contractors than employees.

derive value by making their peers think highly of their work, expertise, and creativity. Division of knowledge and specialization implies that nonexperts—persons outside the academy or the discipline—may not perceive the value of scholarly research. Research builds on society’s stock of knowledge, which does not depreciate; advances in knowledge today require extreme specialization. Outsiders’ failure to appreciate the value of esoteric research does not mean that such research lacks value. The “consumers” of research are other academics, so external feedback is modest. Scholars in traditional fields such as economics, political science, and geography are now experts in only a part of their discipline. Only a few dozen scholars worldwide might be able to judge whether a specific academic publication is seminal or pedestrian. Because academics produce research primarily for other academics, research that impresses other academics generates a reputation, which allows a researcher to acquire resources within the academy.

Two factors potentially limit academics’ writing for other academics. The first is the value research might have to persons (consumers) outside of the academy. External value is most common in science, engineering, and medicine, where new products can originate in academic labs. But policy disciplines also have consumers outside the academy; for example, the work of labor economists on the effects of unions will interest labor unions and businesses. Scientific research of policy relevance (for example, climate science) also has external constituencies. External audiences in these cases can affect research content, with potential funding altering the content of research in subtle or not so subtle ways.⁵

The cost of research is the second factor that limits insularity. Research in science, medicine, and engineering is expensive; a new faculty member requires \$100,000 or more in startup funds. Universities typically expect to recover much of this cost from grants made by government or industry. Academics who undertake expensive research may need to appeal to external constituencies. External funding will not necessarily bring a nonacademic focus to research. The National Science Foundation, for example, draws heavily on academics to review and evaluate funding proposals (Greenberg 1999), so this externally funded research will still be aimed largely at other academics.

If research is primarily a consumption good for faculty, why do colleges and universities tolerate, encourage, and support faculty research? Colleges and universities market faculty expertise to students and their parents. The connection is difficult to quantify with precision, but student applications (particularly from top high school students) depend on a university’s reputation, which is closely tied to its faculty’s reputation (Clotfelter 1999; Winston 1999). Faculty research is even more important in attracting students for graduate study. Academic publications provide a tangible

5. Practitioners outside the academy can also conduct research, particularly in disciplines with external constituencies willing to support research and where results can be tangibly demonstrated, as in science or engineering.

signal of expertise, just as colleges used to report the percentage of faculty with Ph.D.s. Faculty research provides this value even to nonresearch universities. The value of faculty research to a university, however, depends little on the content of the research (except in attracting external funding). A liberal arts college needs faculty publications to display for prospective students and their parents on campus visits. Esoteric, jargon-laden titles convey expertise, but a book or article's specific content is almost irrelevant to prospective students and parents. News consumers are far more responsive to the content of stories. A boring story may lead TV viewers to change the channel, and an interesting headline may spur sales of hard-copy media.⁶ The extent to which news consumers or prospective students and their parents respond to ideological or political bias has yet to be conclusively established. Nonetheless, the elasticity of demand with respect to the content seems substantially greater for news than for faculty research. In most circumstances, university administrators will care little about the content of faculty research.

The other faculty product is teaching. Departments must produce student credit hours to justify faculty positions, and failure to attract students will eventually lead to a department's demise, even in a nonprofit university. Yet the impact of bias on enrollment seems relatively modest, especially in comparison with its impact on news. Faculty bias may actually help to attract majors and graduate students who want to study in the field, and bias may attract students committed to social justice or to exposing the evils of business in some fields (see Woessner and Kelly-Woessner 2009), thereby helping to generate credit hours. Universities offer numerous majors, and attracting one hundred (or fewer) out of twenty thousand undergraduates to a particular department may be sufficient to avoid a shutdown. A department major may need to attract only one-half of one percent or less of students. The change in the number of students majoring in a subject if, say, a department becomes a hotbed of Marxist scholarship might be small and possibly even positive. A department can also produce credit hours by teaching required courses for other majors. The flexibility typical of curriculum requirements (for example, take five classes out of a list of ten) can help a biased department because students likely to be offended can avoid the politicized classes, just as news consumers can avoid a news product that clashes with their worldview. And a department that offers ideologically driven courses can improve the attractiveness of its offerings in other dimensions—such as the day and time of class offerings, the amount of work required, and grades given.

The preceding discussion presumes that students will perceive biased teaching as of lower quality, but this perception may not occur. F. A. Hayek noted of socialist intellectuals that “it seems to be true that it is on the whole the more active, intelligent, and original men among the intellectuals who most frequently incline toward socialism” (1960, 379). If such is also true about left-liberal professors, they may offer

6. For an examination of some of the ways news organizations pursue the marginal reader or viewer, see Hamilton 2004.

entertaining and engaging courses. Faculty who teach ideological courses can invest more in their teaching to ensure that students pay attention to their important message. Complaints by some students about content will have less traction with administrators if by other measures the courses are well taught and well received.

To test whether bias hurts how a class is perceived, I examined David Horowitz and Jacob Laskin's (2009) list of the 150 "worst"—that is, having the greatest left-liberal bias—classes in America. I then searched out the ratings of the faculty members identified by Horowitz and Laskin on RateMyProfessors.com, a Web site with publicly accessible student evaluations of faculty and courses. The ratings must be interpreted with caution because the students who choose to evaluate faculty on such a Web site are a small, nonrandom sample of all students the professor has taught. Nonetheless, Forbes uses evaluations from this Web site as part of its college rankings, indicating that the ratings are perceived as informative.

A total of 127 different instructors taught the 150 classes identified by Horowitz and Laskin, and I found ratings for 69 faculty (graduate student instructors were excluded). Table 1 reports averages for the "Overall" rating of faculty, which uses a five-point scale from 1 (worst) to 5 (best). Because students at different universities have no firsthand experience with instruction at other schools, a 4 rating at different schools may not convey the same quality of instruction. Therefore, I constructed a normed score for each faculty member, which is that person's rating minus the average overall score for all faculty at that person's university. Table 1 reports means for both scores as well as weighted averages based on the number of student evaluations; the weighted averages track the overall average closely in each case. The mean rating of the professors of these liberal courses is 3.6 out of 5, or almost a half-point above their school's average. In addition, only 19 of the 69 faculty had an overall rating below their university's average. Liberal bias in the classroom does not appear to produce a negative reaction from student customers, although the ratings obviously reflect the views only of students who take these classes and then provide the evaluations.

Table 1
Ratings of Professors' Classes from Worst to Best

	Mean	Weighted Mean
Overall Score	3.60	3.65
Normed Score	+0.44	+0.43

Note: Scores are on a five-point scale from 1 (worst) to 5 (best). Ratings based on the "Overall" evaluation of the faculty member on the Web site RateMyProfessors.com. The normed score is the faculty member's overall score minus the average of all professors at the university. The weighted mean weights each professor's score by the number of evaluations the rating is based on.

Sources: Horowitz and Laskin 2009; <http://www.RateMyProfessors.com>.

Biased courses are most likely to harm a department if “indoctrination” results in complaints from students and their parents (who may also be donors). But universities must be structured to tolerate some student complaints, and this tolerance helps to insulate biased professors. The student-customer cannot be king in higher education because students would demand higher grades and less work, at least for themselves, if not for their classmates. Students lack the expertise to design the reading list for each course, and thus administrators must be prepared to tolerate some student criticism of course content. If faculty members further apply some simple economic calculus to their offerings, we would expect to see bias in courses where marginal benefits are greatest and marginal costs are least. Faculty will have the most influence on the thinking of majors and graduate students, and because of self-selection the potential for student complaints will be lower. The marginal cost of bias will be higher in large introductory classes, where more students can be offended.⁷

Consumers of news reports can change the channel or stop reading if they encounter a story that clashes with their values. Thus, the elasticity of demand for bias is likely higher for news than for faculty work products. Although publications certify the faculty expertise for which students are expected to pay a high tuition, the content of this scholarship is largely irrelevant to students. Numbers of majors and enrollments affect the allocation of faculty positions across departments, but curriculum requirements weaken this feedback. Also, feedback in the academy usually occurs only in the future because faculty reallocations typically occur through attrition. Professors who bias their teaching today may bring about a reduction in the size of their department only after a lag of ten or twenty years. Indeed, bias in teaching may lead to a faculty member’s position being lost by the department only when that person retires—surely a more modest constraint than layoffs in the news industry.

Bias as Compensation for Faculty

Different occupations in equilibrium must offer equivalent compensation packages to the marginal worker. All of the many elements of a job—working conditions, safety, job security flexibility of hours, and so forth—factor into the compensation package. Workers are heterogeneous: some value monetary compensation more, whereas others care more about flexible hours or the nature of the work. That workers compare the full compensation of different jobs is the key to a well-functioning labor market and explains, for example, why employers incur enormous expenses beyond the dictates of government regulation to provide a safe working environment.

7. Of course, the benefits from affecting the thinking of a large number of students will be large in introductory classes, which might offset the cost argument.

People who earn Ph.D.s and enter the academy are as a group intelligent and hardworking. They typically rank near the top of their college graduating classes. Students capable of earning Ph.D.s in anthropology, physics, philosophy, and economics have numerous, high-paying alternative career paths available to them—after all, this same pool of top students contains the persons who pursue careers in law, business, and medicine. A student who might excel in law school and become a partner in a large law firm but instead earns a Ph.D. in history or philosophy and teaches at a liberal arts college reveals by his choice that he considers the lifetime full compensation of a professor to equal or exceed that of the corporate lawyer. Because the history professor's monetary earnings are a small fraction of the lawyer's earnings, future professors evidently value highly the professorial lifestyle or the study of history. The professorial life offers many amenities, such as prestige, autonomy, and an unhurried work routine, and different people are attracted by different components of the package. Many are attracted by intellectual curiosity and the opportunity for scholarly pursuits.

Many also may be motivated by a desire to change the world (or to work in some way toward that end) through the power of ideas. As Hayek (1960) emphasizes, people content with the status quo in capitalism are likely to pursue a career as part of this society—say, in business. Those who believe that capitalism is unjust (but are unwilling to become revolutionaries) might well pursue a career in ideas, preaching about what they perceive as the evils of the system. Universities can pay lower salaries if faculty can take compensation in other forms, including the opportunity to indulge ideological bias in research and teaching.

How substantial might the salary differential be for the opportunity to do research? Faculty salaries *across* disciplines provide a clue. Comparison of faculty salaries across disciplines cancels out the value of the professorial lifestyle. Table 2 reports average salaries by rank relative to salaries in engineering, from a 2008–2009 survey for selected disciplines. Differences in salaries depend in part on the value to people of studying different fields; a field that people find more intrinsically interesting will have lower salaries, everything else equal. Differences in demand can also affect relative salaries, of course, especially in the short run, and so to control for this effect, table 2 reports comparisons at both the professor and new assistant professor ranks. The difference in the differential between the ranks is very small in most cases, and so the salary differentials appear stable over time. Fields such as philosophy, history, English, and foreign languages have salaries 25 percent lower than fields such as engineering. Although these simple comparisons hardly rule out other explanations, by comparing salaries across the disciplines in the academy, years of education and the professorial lifestyle are eliminated as possible differences. Table 2 does not compare academic to nonacademic salaries, and therefore it does not show how much the person who has a Ph.D. in engineering or management might have made by studying medicine or business. The opportunity to study and conduct research on a subject of interest, I contend, represents a substantial

Table 2
Salaries across Academic Fields, Relative to Salaries in Engineering

Field	Professor	New Assistant Professor
Communications and Journalism	.749	.711
Education	.732	.718
Foreign Languages and Literature	.761	.689
English	.711	.677
Liberal Arts	.731	.714
Mathematics and Statistics	.751	.745
Philosophy	.751	.702
Chemistry	.767	.718
Psychology	.746	.728
Social Sciences	.791	.774
Marketing	.995	1.320
Visual and Performing Arts	.702	.667
History	.729	.682

Source: Author's calculations based on data given in College and University Professional Association for Human Resources 2009.

portion of academics' full compensation, and universities can pay lower salaries as a result.

Compensating wage differentials provide a perspective on bias in the academy. Employers compare wage differentials with the cost of providing various amenities in the work place; for example, firms weigh the cost of making the workplace safer against the cost of paying workers to assume the risk. In workplaces where it is very difficult to eliminate risk, efficient production involves paying high salaries and letting workers assume the risk. Faculty members value doing research, and so universities weigh the cost of faculty research (reduced teaching loads, libraries, and other types of support) against the benefits—the payment of lower salaries and the contributions of research to the school's reputation. Toleration of left-liberal bias might be part of the job conditions that colleges are willing to provide faculty members in exchange for their lower salaries. Administrators might allow anyone willing and able to earn a Ph.D. and work (usually quite hard) for the salaries paid for humanities faculty to write articles and books on whatever topics they wish. Universities are “straddling organizations” as described by Gus di Zerega (2010): organizations that participate in two or more spontaneous orders. They supply higher education and host practitioners in various scholarly disciplines. Being in such straddling organizations contributes to the discretion faculty possess to pursue research of their own choosing. Teaching generates the revenue to cover their salaries, and research certifies the

expertise being sold in the classroom. Because the content of research is largely irrelevant to universities, the cost of ideologically motivated research is low.⁸

Faculty in highly ideological and politicized fields may face a prisoner's dilemma. Each individual faculty member wishes to indulge biases in his own teaching, but the bias reduces overall department enrollment and numbers of majors. With no unbiased course offerings available, enrollment plummets, and the department loses faculty lines. No one faculty member, however, may be willing to forgo bias in his teaching because the value of expressing one's ideology and occasionally attracting a new major outweighs the inability to hire an unknown colleague at some point in the future. Because tenured faculty members currently face little danger of losing their jobs owing to declining enrollment, a department may not be able to implement a voluntary solution to this prisoner's dilemma. Classes in highly ideological fields ironically may end up being even more biased than desired by the faculty as a group.⁹

The Lack of a Profit Motive Revisited

Consider how the lack of a profit motive contributes to the environment for bias in the academy. Lack of a profit motive is probably not the major contributor to the conducive setting for bias in the academy. Resources are still scarce, leading departments to compete against one another for available resources, and when administrators make more efficient decisions, they will have more resources to meet these demands.¹⁰ Colleges do take efficiency-enhancing measures. Degree programs that fail to attract undergraduate and graduate students eventually get shut down, and faculty lines are reallocated to disciplines where student demand is high. Ph.D. programs in economics have been cancelled, as Frank Scott and Jeffrey Anstine document (1997, fig. 6). Universities aggressively try to improve their standing in (or perhaps game) the influential *U.S. News* college rankings. Colleges increasingly use non-tenure-stream instruction to deliver instruction at low cost and to provide greater flexibility in the face of budget cuts or enrollment declines in specific subjects. Less recognized but probably more significant has been the creation

8. Some critics claim that faculty research undermines the teaching mission (Sykes 1989; Morris 2007) and contributes to the rising cost of college (Vedder 2004). Compensating wage differentials suggest that allowing faculty to engage in research leads to lower salaries. The relevant comparison, then, is whether the deterioration of teaching (if any) outweighs the value that faculty place on research. An evaluation of this contention lies beyond the scope of this article, though. An evaluator would need to keep in mind the low-cost services provided to universities by Ph.D.s who teach as adjuncts in the humanities. The value of being able to do research appears sufficiently high to induce talented individuals to pursue graduate studies merely for a chance to land one of the tenure-track positions for the salaries reported in table 2.

9. A possible remedy for this prisoner's dilemma would be to hire less ideological colleagues, perhaps for non-tenure-track positions, to teach entry-level courses.

10. My argument here parallels Becker 1983 on scarcity as a force for efficiency in politics. Although scarcity may not lead to the degree of efficiency that Donald Wittman (1995) claims persists in politics, elimination of waste allows administrators to satisfy previously unmet demands.

of teaching-specialist positions at research universities (Mateer 2010). Teaching specialists may or may not be in the tenure stream, can be well paid, and can significantly upgrade the quality of undergraduate teaching and advising yet still offer cost savings relative to research-oriented faculty. Universities have pursued distance-learning and continuing-education opportunities in an entrepreneurial fashion. On the research side, they have entered sometimes controversial, innovative arrangements with industry (Washburn 2005). I do not contend that nonprofit universities make exactly the same decisions they would make if they had a residual claimant, but instead that the small cost of bias to a university is a more important factor.

The lack of a profit motive can interact with other factors to create a more conducive environment for bias than in the commercial media. As discussed previously, faculty work products do not directly generate revenue for a university, and the lack of a tangible stake combined with nonprofit status reduces the cost from administrators' standpoint of faculty discretion in hiring. Rex Pjesky and I (Pjesky and Sutter 2010) document a significant difference in the prestige of the pedigree of law school faculty versus lawyers for elite law firms. A preference for pedigree can be one form of faculty discretion. Indulging a preference for pedigree in hiring may hurt a law school or university over time, but at no time is there a strong feedback to administrators in the form of lost cases or defection of clients. The incentive for administrators to restrict faculty in hiring colleagues is weakened, and administrators are not residual claimants for the long-term decline in value. In contrast, university administrators exert more control over selection of coaches for revenue-generating sports. Sports teams have a tangible output—unambiguously measured success in competition—and generate substantial revenue that might be lost as a result of subpar performance on the field.

The lack of a profit motive also helps bias to persist over time. The university's nonprofit structure diminishes the incentive for administrators, alumni, donors, state legislators, and regents and trustees to take innovative action to alter left-liberal domination of departments. Profit creates the potential for substantial rewards from risky, innovative action. In contrasting for-profit management and bureaucratic management, Mises observes, "The virtue of the profit system is that it puts on improvements a premium high enough to act as an incentive to take high risks. If this premium is removed or seriously curtailed, there cannot be any question of progress" ([1944] 1983, 68). Each step in the establishment of bias might have only a small (if any) adverse impact on the university and may be imperceptible at the time owing to the indirect marketing of faculty work products. But inefficiencies build over time, and the lack of a residual claimant diminishes the incentive for bold action to change course. Administrators have an incentive to follow the herd to avoid damaging their reputations (see, for example, Scharfstein and Stein 1990). Deviating from the herd is always potentially very costly personally for a manager, and without a residual claimant to profit from the action and share the gains, university administrators have no

incentive to take bold steps to control bias. Weak incentives for risk taking appear to be a recurrent problem for administrators. Many commentators attribute the inefficiencies of higher education to tenure. As Ryan Amacher and Roger Meiners (2004) point out, however, the tenure system includes procedures to fire grossly deficient professors; administrators choose not to do so in part because they lack strong incentives. Charles Clotfelter (1996) notes the “live and let live” rule dominant among disciplines in the academy; without a profit motive, administrators have insufficient incentive to break this system.

Consider in detail how the lack of a profit motive assists a bias-ridden department that attracts few majors, has low enrollments in general education classes, and is viewed unfavorably by many students, alumni, and other constituencies. The university might shut down such a poorly performing department, which would allow the dismissal of tenured faculty. Such a radical move, however, would create controversy and criticism from across the campus and the nation. Rankings based on impressions of quality can easily be hurt by the ensuing bad press if a university shuts down its anthropology or English department. The reaction might negatively affect administrators’ future employment prospects. This action is therefore a costly and risky one for administrators, for which they will need compensation. Yet no “owners” stand ready to capture the increased profits and reward administrators for their bold action. In contrast, the owners of a newspaper with declining circulation because of left-liberal bias are more likely to try something radical to change the paper’s image and content. Television executives fire anchors and cancel programs in pursuit of ratings. The lack of a profit motive helps to sustain liberal bias in the academy relative to the news-reporting industry, but it probably contributes less to creation of the bias.

Conclusion

The academy and the news media are key segments of the markets for ideas and information. Many observers have accused both reporters and professors of a left-liberal bias. The difficulty of precisely documenting bias suggests the value of analyzing whether the institutional environment is conducive to bias. Such a comparative analysis indicates that the academy’s institutional environment is particularly favorable to supporting and sustaining bias. News products are marketed directly to consumers, who, even if they do not pay out of pocket for the product, must be convinced to read or view it. Bias that affects content will generally affect revenue adversely. In contrast, academic faculty members’ two main products, research and teaching, are not marketed in a standard fashion. Research is produced primarily for other academics and benefits the university by certifying faculty expertise, and the content of research in many fields is irrelevant to administrators (and to students and parents). Bias in teaching may affect student demand for courses, but course requirements attenuate this response, and a decline in demand typically affects a department only in the long

run. In addition, the professorial life appears to provide significant nonmonetary compensation, in particular the freedom to pursue research on topics of personal interest. Faculty members certainly may view the opportunity to do research aimed at refining and promoting their ideology as part of their overall compensation. Finally, private ownership of the news media creates a residual claimant with an incentive to control or correct profit-reducing bias. Lack of residual claimants in private nonprofit and public universities substantially reduces the incentive for action to correct bias.

My analysis in this paper is positive in spirit, comparing the conduciveness of the institutional environments for bias. I have not analyzed whether bias in either the media or the academy harms the larger society. However, my analysis does offer a few insights for critics who seek to limit ideological bias (or at least its consequences) in the academy. Professors receive a substantial portion of their total compensation in nonpecuniary forms, and to the extent that the professorate attracts people who seek to change the world, bias is likely to be extremely persistent. Academics' lower salaries (relative to corporate executives, lawyers, and doctors' salaries) also reduce universities' incentive to take action. Nonetheless, prisoner's dilemma and time-horizon problems suggest that the level of bias in politicized disciplines may be greater than the professors themselves desire, with the effect of reducing enrollments and faculty positions over time. This situation may create an opportunity for moderate faculty members to teach classes without offending students. The greatest impact of bias in a discipline occurs if it attains a monopoly position. Daniel Klein and Charlotta Stern (2009) identify professors' primary loyalty as being to their discipline, not to their university, which helps to entrench groupthink. Reformers might focus their efforts on reducing pressures for conformity across a discipline. Administrators often push departments to mirror the leading departments in a discipline (Holcombe 2004; Cantor 2009), but this conduct simply strengthens groupthink across the academy. If conservatives and libertarians are going to be a minority in the academy for the foreseeable future, reformers should ensure that university administrators appreciate and value nonconformist scholars and departments.

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