MEDIA, PARTISAN IDEOLOGY, AND CORPORATE SOCIAL RESPONSIBILITY

Abstract

We study the effect of partisan media on corporate social responsibility (CSR) ratings using the staggered expansion of Sinclair Broadcast Group, the largest conservative network in the U.S. regional TV markets. After Sinclair entry, CSR ratings of local firms decline across all dimensions: environmental, social, and governance. The effect operates through two mutually non-exclusive channels: changes in ideology and reduction in local coverage. We provide evidence consistent with the first channel based on public opinion surveys, election results, and firms' political contributions. Consistent with the second channel, the effect is larger for firms with higher customer awareness, low institutional ownership, in sin industries, and in Sinclair-dominated markets.

Keywords: corporate social responsibility, partisan media, political ideology.

JEL: G34, D72, L82, M14

I. Introduction

> "*Television is our culture's principal mode of knowing about itself. Therefore – and this is the critical point – how television stages the world becomes the model for how the world is properly to be staged.*"
>
> – Postman (2006, p.92)

Over the past few decades, the U.S. media has become more ideologically divided. Research shows that partisan media affects the behavior of voters and politicians and is one of the main drivers of the dramatic surge in political polarization in the U.S.[1] But does partisan media affect corporate policies? We address this question by studying firms' Corporate Social Responsibility (CSR) activities. Our identification strategy exploits the staggered expansion of the largest conservative media conglomerate in the U.S., Sinclair Broadcast Group (henceforth, Sinclair) in local TV markets as a potentially exogenous shock to firms' exposure to partisan media.

CSR programs have gained increasing prominence over time. In 2018, close to 90% of S&P 500 companies published corporate social responsibility reports.[2] Ideological beliefs matter for CSR, as they involve key policy issues where liberals and conservatives disagree, including environmental protection, climate change, social welfare, gun control, and labor unions. CSR has recently emerged as a contentious and partisan political issue, with many Republicans actively opposing firms' pursuit of CSR while Democrats generally defend and promote it. Previous studies also suggest that CSR policies are influenced by political views and motives. For example, firms with Democratic directors achieve higher CSR ratings than those with Republican directors (Di Giuli and Kostovetsky, 2014), and Democratic investment managers tend to engage in more socially responsible investing compared to their Republican peers (Hong and Kostovetsky, 2012).[3]

[1] See Sunstein (2009), Levendusky (2013), Gentzkow (2016), Martin and Yurukoglu (2017), Spenkuch and Toniatti (2018) among others. Due to partisan media, voters and politicians tend to increasingly behave in partisan ways and view economic and social realities through ideological lenses (e.g., DellaVigna and Kaplan, 2007; Gerber, Karlan, and Bergan, 2009; Clinton and Enamorado, 2014). Importantly, the literature shows that the effects of partisan bias are not limited to beliefs about politics (Bullock, Gerber, Hill, Huber et al., 2015) as it can even impact how individuals view verifiable facts (Alesina, Miano, and Stantcheva, 2020).

[2] In the U.S., CSR expenditures total $28 billion for sustainability and $15 billion for corporate philanthropy in 2018.

[3] Moreover, Bertrand, Bombardini, Fisman, and Trebbi (2020) find that CSR expenditures serve as a tool of political influence in American politics, involving sums that are economically significant compared to other channels of influence-seeking.

Sinclair is a leading local news provider in the U.S. Founded in 1986, it experienced rapid growth over the following decade. It went public in 1995 and is presently the largest owner/operator of local TV stations in the country. As of 2019, Sinclair owns or operates 193 TV stations, reaching more than 90 local TV markets, and covering 39% of the U.S. population. According to the Pew Research Center, local news is considered the most trustworthy news source for the U.S. public.[4] Sinclair has been known as a right-leaning news source since its founding, with anecdotal evidence suggesting that Sinclair tilts against reporting on climate change, gun safety, and labor union activities.[5] Importantly, as a result of Sinclair's unique expansion method of acquiring local stations without re-branding them, much of its audience is unaware of Sinclair's ownership and is hence unable to self-select into receiving or avoiding its messaging.

Martin and McCrain (2019) is one of the first studies to investigate the social impact of Sinclair's acquisitions of local TV stations. They analyze broadcast transcripts and establish two dimensions of change in media coverage brought by Sinclair: (i) news broadcasts by Sinclair stations tends to be more politically charged and right-leaning on the ideology spectrum (the magnitude of the right-ward ideological shift is estimated to be nearly one standard deviation of the ideology distribution); and (ii) there are substantial shifts in coverage from local to national politics. In line with these results, Miho (2020) estimates that an extra year of TV coverage by Sinclair in a county increases the Republican presidential two-party voting share by 0.14% points, while Mastrorocco, Ornaghi et al. (2021) document that Sinclair acquisitions decrease news coverage of local crime, with the affected regions subsequently experiencing lower violent crime clearance rates.

Based on the above findings, we hypothesize that Sinclair can impact CSR ratings of firms headquartered in exposed regions (henceforth, locally headquartered firms) via two channels. First, Sinclair can influence the ideological beliefs in local communities through partisan reporting. For example, media coverage can emphasize or downplay the perceived importance and urgency of CSR issues and the role of corporations in addressing them (Strömberg, 2015). Such influence can be either direct via individuals consuming the content

[4]See "Why Sinclair matters: Local news is Americans' No. 1 news source" at https://www.cnn.com/2018/04/02/politics/sinclair-trust-in-local-news/index.html.

[5]For example, see "Sinclair trashed renewable energy and pushed fossil fuel propaganda" at shorturl.at/eNRX6. Also see: "She tried to report on climate change. Sinclair told Suri Crowe to be more 'Balanced'." at https://www.buzzfeednews.com/article/stevenperlberg/sinclair-climate-change, "At least one Sinclair station has been trying to cast doubt on climate science" at https://grist.org/briefly/at-least-one-sinclair-station-has-been-trying-to-cast-doubt-on-climate-science/.

themselves or indirect through interactions with family members, friends, or colleagues.[6] Local political views can then affect corporate decisions, including CSR policies, as businesses consider the preferences of various stakeholders, such as employees, customers, suppliers, and other community members (Bénabou and Tirole, 2010; Hart and Zingales, 2017; Broccardo, Hart, and Zingales, 2020). We refer to this mechanism as *change in local ideology*.

Second, as Sinclair TV stations reduce coverage of local issues (Martin and McCrain, 2019), locally headquartered firms face less scrutiny about their governance, social, and environmental practices. Moreover, businesses often use CSR activities to manage their social perception (see, among others, Dyck, Volchkova, and Zingales, 2008; Nikolaeva and Bicho, 2011; Amer Maistriau and Bonardi, 2014; and Baloria and Heese, 2018), and lower local media visibility can adversely affect this incentive. We call this channel *reduction in local coverage*. These two channels are not mutually exclusive and can even be mutually reinforcing, as national news is more likely to cover partisan political issues than local broadcasts. Thus, while our empirical analysis presents evidence supporting both, we do not attempt to decompose the overall effect into the two separate channels.

One concern about exploring the impact of Sinclair expansion to new TV markets on local firms' CSR ratings is the possibility that Sinclair targets areas with certain demographic and political characteristics that themselves are correlated with views on CSR. In other words, Sinclair is only the messenger and not the cause of shifting local CSR perceptions and their effect on firms' CSR policies. For example, Sinclair could choose to enter a market because it observes, or successfully anticipates, a shift in its residents' political ideology toward conservatism. However, Martin and McCrain (2019) find that short-term viewership declines in treated TV markets after Sinclair's entry compared to the control group, which suggests that targeted TV markets were not predisposed to welcome Sinclair's (typically conservative) messaging and that Sinclair's entry is not driven by projections of higher viewership.[7]

While this prior evidence is not consistent with a demand-side effect where Sinclair just

[6] Granovetter (1973) and Murphy and Shleifer (2004) show that individuals tend to change behavior and be persuaded by those with whom they interact.

[7] Sinclair's 10-K reports also show that profitability is the main goal of its expansion plans that focus on mid-sized markets. Further anecdotal evidence corroborates that economic benefits mostly explain Sinclair entry, with one of its main goals to establish presence in as many TV markets as possible. As a prominent example, Sinclair announced its intent to acquire Tribune Media in May 2017. This deal, which was later rejected by the Federal Communication Commission (FCC) over antitrust concerns, would have increased the number of Sinclair's TV channels to 233 and granted it an unprecedented 72% household penetration in the U.S. See "The Sudden Demise of Sinclair's Merger With Tribune" at https://www.wired.com/story/the-sinclairtribune-merger-is-dead/.

responds to conservative-leaning audiences in untapped markets, we still begin our analysis by formally investigating the relation between Sinclair entry and local characteristics. Our variables include various economic and demographic characteristics that are correlated with ideological leanings, such as Republican voting share, educational attainment, minority populations, and age. None of these exhibit a significant impact on Sinclair's decision to enter a market, and the only variable that matters is population size. We also find no effect of Fox News presence on Sinclair entry. These results suggest that Sinclair does not target only conservative markets, alleviating concerns about endogeneity driving the Sinclair-CSR relation. DellaVigna and Kaplan (2007) similarly show that the entry of Fox News to a region is largely idiosyncratic conditional on town characteristics.[8]

We next explore the impact of Sinclair entry on CSR ratings of firms with headquarters in the affected TV market. One feature of our data is that it captures Sinclair's presence at the level of the local TV market, defined as the "Designated Market Area" (henceforth, DMA). DMA borders do not necessarily coincide with those of a state, as there are often multiple DMAs in one state and one DMA can span across multiple states. For example, the DMA of "Philadelphia" covers counties in Delaware, New Jersey, and Pennsylvania.[9] Importantly, this allows us to control for time-varying state effects related to unobserved political and economic factors. Our subsequent tests thus include not only firm characteristics and firm fixed effects as controls but also state-year fixed effects.

We first conduct a temporal dynamic analysis of local firms' CSR ratings around Sinclair entry. We find no difference in pre-Sinclair trends between treated and control samples, helping address concerns about reverse causality where Sinclair pursues markets in which firms are already moving away from CSR activities. Sinclair presence has a significant (t-statistic = 2.64) negative effect on CSR ratings starting three years after its entry. This result is consistent with the hypothesis that Sinclair programming leads firms to move away from CSR policies. The impact, however, is not immediate, presumably because it takes time to change local population's views and local firms' policies on CSR.

We then study the change in CSR ratings associated with Sinclair in a difference-in-differences (DiD) setting. We show that after three years of exposure CSR rating drops

[8]We discuss in Section II.B how for the purpose of our study the expansion of Sinclair in local TV markets provides advantages in identification over the expansion of Fox News in local cable network providers.

[9]More specifically, this DMA comprises 18 counties, with multiples ones in each of the three states. To illustrate this fact more clearly, we map two DMAs (Philadelphia and Mobile-Pensacola) to their respective counties across multiple states in Figure I.

by 0.322 points (t-statistic = 4.17), which is a significant economic effect equal to 14% of the sample standard deviation (σ = 2.242).[10] Sinclair presence negatively affects all three CSR rating sub-categories, environmental, governance, and social, though the relation is statistically significant only for the first two (t-statistics are –3.81 and –4.97, respectively). Finally, since CSR ratings are calculated by subtracting concern scores from strength scores, we examine the Sinclair effect on strengths and concerns separately and find that the treated firms' CSR strength ratings decrease (t-statistic = –2.38) while their concern ratings increase (t-statistic = 3.63).

We confirm these results through a variety of additional tests. First, we compare treated firms to firms with headquarters that are geographically close but not in the same DMA. Since such control firms presumably face similar local economic, social, and demographic environments, this approach further alleviates concerns about potential omitted variables. Even in this very restricted sample (there are no suitable control firms for a majority of treated firms), we document a negative relation between Sinclair entry and CSR ratings. Second, we explore separately the impact of Sinclair on CSR for firms with mostly local operations and firms with national or international presence. The effect exists for both types of firms, but is stronger in terms of economic magnitude and statistical significance for locally-focused firms, an intuitive finding since these firms are likely more influenced by and dependent on local news. Third, to address recent critiques of DiD models with two-way fixed effects when treatment timing varies (Goodman-Bacon, 2021), we show our results hold in a stacked DiD regression setting (Gormley and Matsa, 2011, 2016; Baker, Larcker, and Wang, 2022).

Having established that Sinclair entry affects CSR ratings of firms with local headquarters, we study two potential mechanisms driving this relation: change in local ideology and reduction in local coverage. To test the former channel, we investigate the impact of Sinclair on public opinion, local voting patterns, and corporate political contributions. Using data from the Cooperative Congressional Election Study (CCES), an online survey conducted each year since 2006 and representative of all national adults, we find that Sinclair entry is associated with reduced concerns about climate change, a position that is generally more in

[10] Lagging Sinclair exposure by three years also mitigates endogeneity concerns. This approach is similar to numerous other studies that choose to lag the main independent variables (treatment effects) by multiple years to either address endogeneity problems or to better fit the underlying economic channel. See Chang, Dasgupta, and Hilary (2006), Houston, Lin, Lin, and Ma (2010), and Carvalho (2018) among others.

line with current conservative ideology.[11] The effect is economically meaningful, representing 9.1% of the sample standard deviation (t-statistic = 2.08), and is consistent with our previous finding that the environmental component of CSR ratings decreases after Sinclair enters the market. Sinclair presence also leads to greater Republican representation on county-level legislative bodies (4.7%, with a t-statistic of 2.48), suggesting it affects not only local opinions but also election outcomes. Furthermore, locally-headquartered firms contribute more to Republican party candidates relative to Democratic candidates, with the increase equal to 11.8% of the sample standard deviation (t-statistic = 1.91). This result is consistent with firms shifting their political position towards Republicans, pursuing political influence with the (now more powerful) Republican party, or catering to more positive local perceptions of conservatives.

Next, we examine the reduction in local coverage channel through four cross-sectional tests. First, we focus on firms with high customer awareness, as measured by advertising expenditures, since CSR and firm value are positively correlated for such firms (Servaes and Tamayo, 2013). If Sinclair shifts programming away from local news, which presumably is more likely to highlight CSR activities of locally-headquartered firms, these firms will have less incentive to invest in CSR activities. Consistent with this prediction, the relation between Sinclair entry and CSR ratings is 48.9% stronger for firms with high advertising expenditures (t-statistic = –2.51). Similarly, firms in the alcohol, tobacco, and gambling industries rely on CSR activities to manage their social image more than other types of firms, and their value is positively related with CSR (Cai, Jo, and Pan, 2012). We again find that the Sinclair entry-CSR relation is significantly more negative for these firms, with the (absolute) coefficient increasing by 514% (t-statistic = –6.38).

Institutional investors increasingly focus on the social and environmental performance of firms, so they can provide alternative means of accountability when coverage of local firms' actions is diminished due to Sinclair entry.[12] A higher institutional ownership can thus limit the negative impact of Sinclair on CSR policies. We find support for this hypothesis, with

[11] The survey contains questions related to public opinion and preferences on various social, economic, environmental, and political issues. While many of those produce clear ideological splits, the environmental score is most relevant for CSR.

[12] Several papers show that institutional investors play a key role in aligning corporate interests with social responsibilities. See Chen, Dong, and Lin (2020) and Li, Patel, and Ramani (2020) among others. For example, BlackRock, the largest asset manager in the world, announced in 2020 that it would take a tougher stance against corporations that are not providing a full accounting of environmental risks. Details at https://www.wsj.com/articles/blackrock-shakes-up-sustainable-investing-business-following-criticism-11579000873.

low-institutional-ownership firms exhibiting a greater decline in CSR ratings after Sinclair entry. More specifically, the effect is 87% stronger (t-statistic = –2.45) for these firms. Lastly, we hypothesize that the reduced local coverage by Sinclair matters more when its stations have a larger presence in the local TV market. The evidence is consistent with this prediction, as we show that CSR ratings decline significantly more (253%, with a t-statistic of –6.60) in such markets.

One potential concern about our tests using CSR ratings is that these ratings do not accurately capture firm behavior. To address this issue, we study the impact of Sinclair entry on CSR-relevant firm outcomes. We find that Sinclair presence is associated with economically and statistically significant increases in various types of corporate misconduct, using data from violations pursued by the federal government. Sinclair entry also leads to higher toxic chemical releases by facilities located in the affected DMAs.

Our findings survive a battery of robustness tests. More specifically, we conduct a placebo test to rule out the possible effects of random chance on our results. We also run bootstrapping tests by randomly dropping 5% or 10% of DMAs from the sample and repeating the analysis 1,000 times to address the possibility that a small number of geographic regions drive our findings. Further robustness tests use alternative specifications and samples. For the former, we construct alternative Sinclair exposure variables including the number of Sinclair stations in the local TV market, the average number of Sinclair stations throughout the exposure history, and the number of years since Sinclair entry. We include industry-year fixed effects to incorporate unobserved time-varying industry effects; augment the baseline model using additional controls for county-level political, economic, and demographic factors; and control for CEO characteristics such as age, gender, and annual compensation. The results remain highly statistically significant in all of the above settings and with different methods of clustering standard errors. In alternative subsamples, we split the sample period into two periods, 1996–2006 and 2007–2016, and find that the results are not concentrated around the 2000s when Fox News cable TV expanded across the country. Our findings are also not driven by firms with very high or low CSR ratings, by very large or small firms, or by counties at either extreme of the political spectrum, as they continue to hold after excluding observations at the top or bottom of the relevant distribution. Finally, we show that the negative relation between Sinclair exposure and CSR ratings exists for an alternative CSR measure provided by Refinitiv (previously Asset4 ESG data).

Our paper contributes to the literature on the effect of partisan biases on economic outcomes and decision-making. The existing studies scrutinize how partisanship affects investors' portfolio allocation decisions (Addoum and Kumar, 2016; Bonaparte, Kumar, and Page, 2017; Meeuwis, Parker, Schoar, and Simester, 2021; Giglio, Maggiori, Stroebel, and Utkus, 2021), credit analysts' recommendations (Kempf and Tsoutsoura, 2021), loan officers' decisions on loan spreads (Dagostino, Gao, and Ma, 2020), individual entrepreneurship behavior (Engelberg, Guzman, Lu, and Mullins, 2022), and portfolio allocation of mutual fund managers (Cassidy and Vorsatz, 2021). Recently, Fos, Kempf, and Tsoutsoura (2022) explore the rise in political polarisation among U.S. executives and depict its consequences. Our paper is the first to demonstrate a link between partisan media messaging, stakeholder belief formation, and an eventual change in a major corporate policy: corporate social responsibility. We also identify partisan beliefs as an important determinant of CSR activities, an important finding given the growing prominence of CSR in both practice and academic research (e.g., Bénabou and Tirole, 2010; Liang and Renneboog, 2017; Riedl and Smeets, 2017; Cronqvist and Yu, 2017; Chen et al., 2020; Pástor, Stambaugh, and Taylor, 2022).

The rest of the paper is organized as follows. Section II describes the history of the expansion of Sinclair in the local TV markets and investigates the relation between county characteristics and Sinclair entry. Section III presents the analysis of the impact of Sinclair exposure on CSR ratings. Section IV examines possible mechanisms. Section V provides robustness tests and discusses the generality of the findings. Section VI concludes.

II. Sinclair Expansion in Local TV Markets

II.A. Local TV Markets and the History of Sinclair TV

A local TV market, also referred to as a media market, is defined by a DMA. DMA boundaries are set by Nielsen, a market research and measurement company, and are usually based on metropolitan statistical areas (with suburbs often included). There are 210 DMAs, covering the entire continental U.S., Hawaii, and parts of Alaska. Typically, there are multiple DMAs in one state. As there are around 3,000 counties in the U.S., one DMA always includes multiple counties and in some cases a DMA can even span multiple states. Importantly, viewers in a given DMA receive the same or similar media coverage. DMA also represents an important factor in determining advertising rates in a geographic area.

The local TV market is regulated by the Federal Communications Commission (FCC). Local TV stations need to obtain licenses issued by the FCC to operate in a particular area. On its website, the FCC states that "whenever we review an application —whether to build a new station, modify or renew the license of an existing station or sell a station —we must determine if granting the application would serve the public interest. We expect station licensees to be aware of the important problems and issues facing their local communities." Hence, to obtain a license to operate a station, the local TV station must meet the needs and interests of the community it serves. Meanwhile, the FCC emphasizes that it is not responsible for selecting the material stations air, as the First Amendment and the Communications Act expressly prohibit censoring broadcast matter.

Due to their focus on local communities and the FCC requirement to promote the public interest, it is generally more difficult to distinguish between liberal and conservative sources on local TV news than on cable news or talk radio shows. As a result, local TV news reaches an ideologically diverse audience. According to the Pew Research Center, Democrats and Republicans are about equally likely to watch local TV news, which outpaces national news outlets in both trust scores and viewership rates.[13] More people (37%) receive their news from local television stations than from any other sources, including cable (28%) and network television news (26%). Local TV news is also ranked as the most trusted news source in the U.S.[14]

Sinclair's origins trace back to 1971 when Julian Sinclair Smith bought a UHF station WBFF-TV in Baltimore. His four sons founded the Sinclair Broadcast Group in 1986, after acquiring several existing stations in Baltimore, Pittsburgh, and Columbus. The company's station portfolio expanded to 59 stations in 1995, and it went public in the same year. Sinclair's rapid growth was driven by both outright purchases of stations as well as its creative use of local marketing agreements (LMAs). LMAs are a type of contract in which one company agrees to operate a radio or television station owned by another party. In essence, it is a lease or time-buy for the operating license. This approach allowed Sinclair to bypass many regulations imposed by the FCC regarding the ownership of operating licenses, which were established to facilitate competition and foster diversity in media.

[13]See https://www.pewresearch.org/fact-tank/2018/01/05/fewer-americans-rely-on-tv-news-what-type-they-watch-varies-by-who-they-are/.

[14]Roughly 80% of Americans trust local news outlets, compared to 60% for national news and 14% for social networks. See the details at https://www.journalism.org/2017/05/10/americans-attitudes-about-the-news-media-deeply-divided-along-partisan-lines/.

Currently, Sinclair is the largest owner/operator of local TV stations in the U.S. It is also the biggest producer of local news, airing original programming from its 193 TV channels in more than 90 DMAs across the country. Each week, the company reportedly produces 2,400 hours of local news.[15] Extending from coast to coast, Sinclair covers more than 39% of all American households. Despite its size and reach, most of Sinclair's viewers are unaware of its existence.[16] While Rupert Murdoch, the founder of News Corp., is a household name, Sinclair founder and his descendants are virtually unknown among the general public. Sinclair preserved this anonymity partly due to its unique expansion method: acquiring and operating local news stations without re-branding them as parts of the Sinclair network. For example, Sinclair runs a station under the ABC brand name in Dayton, Ohio, and a station under the Fox brand name in Oklahoma City, Oklahoma. Consequently, local TV stations with a wide range of political and social ideologies (Fox, CBS, and NBC) are owned or operated by Sinclair.

Controlled in part by prominent Republican donors, Sinclair's programs are widely considered to have a conservative slant.[17] It regularly produces right-leaning, centralized news segments or commentary, and distributes them to stations across the country for broadcast. One example of such news commentary are the so-called "must runs," where local TV program hosts from different stations across the country are expected to read and broadcast from the same transcript. Sinclair's political orientation has attracted much attention from other media outlets in recent years, with the New York Times describing Sinclair as a "conservative giant" and alleging that it uses its TV stations "to advance a mostly right-leaning agenda."[18]

[15]See the report by CBS news at https://www.cbsnews.com/news/sinclair-broadcast-group-what-you-need-to-know/.

[16]Sinclair is often referred to as an "under-the-radar company" by the U.S. prime time news outlets. For example, see https://www.theguardian.com/media/2017/aug/17/sinclair-news-media-fox-trump-white-house-circa-breitbart-news.

[17]According to federal filings, Sinclair's current Chairman David Smith contributed $206,650 to Republicans and $132,350 to Democrats in congressional and presidential campaigns since 1995. He also gave $36,000 to two political action committees (PACs) that have consistently contributed more to Republicans than to Democrats.

[18]The Washington Post described Sinclair as having "a long history of favoring conservative causes and candidates on its newscasts," and published articles under titles such as "Under New Ownership, WJLA-TV Takes a Slight Turn to the Right" in 2014 and ""Here's What Happened the Last Time Sinclair Bought a Big-City Station" in 2017.

II.B. Sinclair versus Fox News

Many papers on media bias use the introduction of Fox News as a measure of exposure to conservative messaging (DellaVigna and Kaplan, 2007; Martin and Yurukoglu, 2017; Baloria and Heese, 2018; and Knill, Liu, and McConnell, 2020, among others). For the purpose of our study, however, there are several advantages to focusing on Sinclair over Fox News.

First, Fox News is well known to viewers for its conservative-leaning news slant. Thus, there exists a self-selection issue as liberal audiences can opt out of watching Fox News, limiting the channel's influence. In contrast, when Sinclair acquires a local TV station, it does not change its name. Many liberal-leaning (e.g., NBC and ABC affiliated) stations across the country are now owned and operated by Sinclair, carrying their original channel names. As a result, many viewers are likely not aware that they are watching Sinclair-controlled channels. This unique feature of Sinclair TV stations makes it difficult for viewers to filter out messages based on the ideological bias of the channel. Second, Sinclair channels reach a higher share of the U.S. population than Fox News. Based on estimates in 2018, Sinclair broadcasts its programs to as much as 39% of the American population compared to 27% for Fox News. Third, as we describe in the previous section, on average U.S. viewers appear to trust local TV stations more than cable news. And lastly, relative to national broadcasters such as Fox News, local TV stations devote more of their coverage to activities of local firms, especially on CSR topics, as residents care about union affairs, environmental pollution, and outreach activities within their communities.[19]

II.C. Sinclair Expansion and Regional Characteristics

We compile data on Sinclair expansion in local TV markets between 1996 and 2016 from various sources, including Sinclair's 10-K filings, its website, the FCC database, and the Capital IQ Key Development database. We complement this data by manually adding multiple features of each Sinclair-affiliated TV station that may have been absent from the aforementioned sources. The number of Sinclair stations in a given DMA ranges from zero to four. Figure II shows the distribution maps in 1996, 2001, 2006, 2011, and 2016, providing snapshots of the exposed counties every five years. Importantly, counties with access to Sinclair are not concentrated in a small number of geographic regions and spread over time almost evenly across the country.

[19]CSR activites are often local in nature (Dyck, Lins, Roth, and Wagner, 2019; Bertrand et al., 2020).

One concern with using the expansion of Sinclair as a quasi-natural experiment for exploring the impact of conservative media on CSR ratings is that unobserved changes in local economic or political ideology could drive both Sinclair entry and CSR ratings of local firms. In this section, we address this concern by directly investigating the relation between Sinclair presence and a host of local TV market characteristics.

We begin by comparing sample means of relevant characteristics between county-year observations with at least one Sinclair station and county-year observations without. As explained earlier in Section II.A, Sinclair exposure is the same across a DMA, and one DMA typically spans multiple counties (the average is 14). County-level data provides us with more granular information on a region's population characteristics relative to DMA-level data. We collect most of the county-level demographic data from the U.S. Census Bureau. This data includes the total population, the percentage of the population that is above 65 years old, the percentage with college or higher education, the percentage of females, the percentage of the Hispanic population, and the percentage of the African American population.[20] The unemployment data is from the Bureau of Labor Statistics. To measure political ideology in a county, we obtain the county-level presidential election voting data from Harvard Dataverse and calculate the percentage of votes for a Republican presidential candidate in the most recent election cycle.[21] By construction, it is updated every four years.

Table I reports summary statistics for the above demographic variables across counties with and without Sinclair presence. Panel A uses county-year observations over the whole sample. There are 13,210 observations with Sinclair exposure and 28,720 ones without it. For the economic conditions and ideology variables, the mean values in the two samples are almost identical across the two samples: 6.6% vs. 6.5% for the unemployment rate and 58.9% vs. 59.9% for the percentage of Republican votes. This suggests that the entry of Sinclair and its decision to stay in a county are not driven just by local economic or political factors. In terms of demographics, these two samples are also very similar in the percentage of the population with college or higher education and the percentage of females. The exposed sample has a slightly larger population (the log of the population is 10.38 vs. 10.20), a slightly higher percentage of seniors (16.6% vs. 16.2%), a smaller Hispanic population (6.4% vs. 9.1%), and a smaller African American population (8.1% vs. 8.7%). Since Panel A does

[20]We also thank Antonela Andonia Miho for generously sharing the data used in her paper, Miho (2020).

[21]The dataset is compiled by MIT Election Data and Science Lab and can be accessed at https://dataverse.harvard.edu/dataset.xhtml?persistentId=doi:10.7910/DVN/VOQCHQ.

not compare counties controlling for changes over time, Panel B presents the difference in county characteristics in one particular year. We select 2006 as it is the midpoint of the sample period 1996–2016. The two groups again exhibit very similar unemployment rates and Republican vote percentage.

Next, we examine the determinants of Sinclair presence in local TV markets using panel regressions. We create a dummy variable $Sinclair\ Exposure_{d,s,t}$, which takes the value of one if there is at least one Sinclair station in a TV market d in state s in year t and is zero otherwise. We then regress it on the lagged unemployment rate and Republican vote percentage as well as other controls from the census. The census control variables are defined at the DMA-state level, aggregated or averaged using county-level data. Our model is described by the following regression:

$$\begin{aligned} Sinclair\ Exposure_{d,s,t} =& \alpha_s + \alpha_t + \beta_1 Unemployment_{d,s,t-1} + \beta_2 Republican\ Votes_{d,s,t-1} \\ &+ \gamma' Other\ U.S.\ Census\ Controls_{d,s,t-1} + \epsilon_{d,s,t}. \end{aligned} \tag{1}$$

We include both state and year fixed effects in some specifications (those in even-numbered columns). Standard errors are clustered at the TV market level.

We show the results in Panel A of Table II. Columns (1) and (2) use Logit, and columns (3) and (4) use OLS estimators. Importantly, there is no evidence that the unemployment rate or the Republican vote percentage influence Sinclair's decision to enter a market. The only coefficient estimate that is statistically significant under the full specifications is population size, suggesting that Sinclair prefers to enter larger markets (regardless of local ideological preferences). When we add the Fox News presence dummy in columns (5) through (8), its coefficient estimate is never statistically significant (the highest t-statistic is 0.65), and the other ones do not change. Panel B repeats the analysis using county-level data. The findings remain the same, except that population size is no longer statistically significant in the specification with state and year fixed effects.

In summary, both the univariate tests in Table I and the multivariate analysis in Table II suggest that Sinclair entry is not driven by local economic or ideological conditions. We conclude that reverse causality is not a major concern in relation to the purpose of this study, similar to DellaVigna and Kaplan (2007) who argue that the entry of Fox News is largely idiosyncratic based on town-level characteristics.

III. Effect of Sinclair Exposure on CSR Ratings

We now explore the impact of Sinclair exposure on firm CSR activities. Our sample comprises all Compustat firms with available CSR data covered by the MSCI ESG KLD STATS database (originally known as the Kinder, Lydenberg, and Domini, or KLD, database) from 1996 to 2016. We then merge the CSR and Compustat data with the geographical distribution of Sinclair TV stations based on the county where a firm's headquarters are located.

We begin by describing how we construct variables measuring firm characteristics and CSR ratings. We then conduct a temporal dynamic test to investigate the timing of the Sinclair-CSR effect. This test also examines pre-event trends, which helps mitigate reverse causality concerns. Next, we estimate our baseline regression model of the relation between CSR ratings and Sinclair presence. To further address the endogeneity concern, we study a subsample of firms in neighboring DMAs that are physically close to each other, but with and without Sinclair exposure to control for local economic, political, and demographic factors. We compare the effect for firms with mostly local vs. non-local activities since the baseline relies on the headquarter locations for Sinclair exposure. Finally, we run a stacked difference in differences (DiD) regression specification. In the following section, we study two potential (mutually nonexclusive) channels for how Sinclair entry affects CSR ratings of locally headquartered firms: change in local ideological climate and reduction in local news coverage.

III.A. Variable Construction and Summary Statistics

We identify firms' locations based on their headquarters. Previous literature shows that firm headquarters play an important role in both stock performance and corporate policies (see Pirinsky and Wang, 2006 and John, Knyazeva, and Knyazeva, 2011, among others). While firm operations may cover multiple regions and countries, the most important executives usually work at the headquarters. Thus, to the extent the local environment affects managerial decision-making, the effect should be most easily observable for the firm's central location. Furthermore, local policies and regulations may have a greater impact on the firm in its headquarters' region. Firms also often focus their community engagements, environmental protection activities, and charitable contributions on this region.

We obtain CSR ratings from the KLD database, which is widely used in the literature

to investigate the determinants and consequences of CSR policies (e.g., see Cahan, Chen, Chen, and Nguyen, 2015). The KLD database provides comprehensive data on firm-level CSR performance, including three main categories: environmental, social, and governance aspects. We denote ratings in these three categories by ENV, SOC, and GOV.[22] Each category further includes many subcategories. For example, the environmental category contains indicators of waste management, carbon emissions, natural resource use, supply chain management, water stress, and others; the social category includes indicators of community engagement, community impact, employee relations, and diversity; and the governance category covers components such as business ethics practices, the social and environmental impact of firms' financing, and governance structures related to executive compensation.[23] For each CSR dimension, the rating assesses the presence or absence of various "strengths" and "concerns." A one-point increase in the CSR rating indicates that a firm has made a positive change in one CSR indicator. Such a change can happen through a shift from concern to neutral or from neutral to strength. Following the literature, we calculate CSR as aggregated strength points minus aggregated concern points. The mean (median) CSR rating in our sample is –0.114 (0).

Previous literature shows that CSR ratings are related to firm size, leverage, profitability, Tobin's Q, cash holdings, sales growth, advertising costs, and R&D expenses.[24] Accordingly, we include these variables in our regressions as controls, sourcing all necessary data from Compustat. Cash holdings, advertising costs, and R&D are scaled by total assets. Further details on variable construction are provided in the Appendix. The final sample comprises 25,656 firm-year observations for 2,434 firms over the 1996−2016 period. As Sinclair rarely leaves a TV market, only 1.7% of firm-year observations correspond to the case of no Sinclair presence due to its exit.[25]

Table III presents summary statistics for our sample. The firms in the sample are generally large, with mean (median) assets of $13.7 ($1.66) billion, and profitable, with mean (median) return on assets (ROA) of 12.9% (12.5%). Average leverage is 21.4% and cash holdings are

[22]Grouping CSR categories into environmental, social, and governance is the default setting in the KLD data.

[23]Note that this definition of governance is broader than the typical meaning of governance in the corporate finance field. Here it refers to how the employment of resources by the firm impacts society beyond just shareholders, while in the latter case governance refers to systems designed to mitigate the principal-agent problem between management and shareholders.

[24]Cahan et al. (2015) and Cao, Liang, and Zhan (2019) summarize the control variables used in previous studies.

[25]All results remain the same if we exclude such counties from the sample.

19.4%, suggesting a typical firm is not financially constrained. The average Tobin's Q is 1.96 and the average sales growth is 11.9%. There is large variation in CSR ratings: the standard deviation is 2.24 compared to the 25th and 75th percentiles of –1 and 1. The greatest dispersion is for the social rating, with a standard deviation of 1.81, which is significantly higher than 0.70 and 0.67 for the environmental and governance ratings, respectively.

III.B. Temporal Dynamic Test

Here we provide a temporal dynamic test on the relation between Sinclair entry and CSR ratings of local firms. The study depicts pre- and post-treatment time trends to address potential concerns about reverse causality. Our other motivation for the test is that the effect of Sinclair's presence may not be immediate, as it could take time for its messaging and coverage to affect local community preferences and attitudes.[26] By running the temporal dynamic test, we start with an agnostic view regarding how long it takes for Sinclair to affect CSR ratings. Specifically, we estimate the following regression specification:

$$\begin{aligned} CSR_{i,t} = \alpha_i + \alpha_{s,t} + \beta_1 Before^{\leq -2} + \beta_2 Before^{=-1} + \beta_3 After^{=+1} + \beta_4 After^{=+2} \\ + \beta_5 After^{\geq +3} + \gamma\prime X_{i,t-1} + \epsilon_{i,t}, \end{aligned} \tag{2}$$

where i, s, and t index firm, state, and year, respectively. α_i and $\alpha_{s,t}$ represent firm and state-year fixed effects, respectively. $Before^{\leq -2}$ is a dummy variable that takes the value of one if the firm is exposed to Sinclair two or more years later and zero otherwise. Similarly, $Before^{=-1}$ indicates exposure to Sinclair for a firm one year later, and $After^{=+1}$ ($After^{=+2}$) indicates exposure to Sinclair one year (two years) before. $After^{\geq +3}$ is one for firms exposed to Sinclair three or more years ago. For firms whose headquarters are located in DMAs without any Sinclair TV stations in all years, these time dummy variables take a value of zero. $X_{i,t-1}$ is a vector of control variables, including size, leverage, ROA, Tobin's Q, cash holdings, sales growth, advertising costs, and R&D expenses. We cluster standard errors at the DMA level, as firms in the same DMA face the same local media environment. In addition to the composite CSR rating, we also run the test for environmental, social, and governance ratings.

[26] Research shows that individuals change behavior gradually following exposure to media messaging, and the effect is usually persistent (Adena, Enikolopov, Petrova, Santarosa, and Zhuravskaya, 2015; Durante, Pinotti, and Tesei, 2019).

Table IV provides the results. The dependent variables are the overall CSR rating, environmental rating, social rating, and governance rating in columns (1) to (4), respectively. One potential explanation for an observed negative relation between Sinclair entry and local CSR ratings is that Sinclair targets regions where CSR was already in decline. For instance, since ideological beliefs likely influence attitudes towards CSR, a negative correlation between a DMA's average CSR rating and future Sinclair presence could suggest that local political trends drive both Sinclair entry and changes in CSR ratings. In other words, Sinclair entry is a symptom rather than the cause of changes in local ideology and consequently in CSR attitudes. In this case, we expect to see negative coefficients on $Before$ dummy variables under the assumption that Sinclair targets markets already moving in the anti-CSR direction. However, none of the coefficients are statistically different from zero, and there is only one t-statistic out of eight that is even greater than one in absolute magnitude.

The coefficients on the $After$ dummy variables capture the impact of past Sinclair exposure on CSR ratings. The results show that the Sinclair effect does not materialize immediately, but by the third year it is negative (–0.525) and statistically significant (t-statistic = –2.64). This represents an economically meaningful effect, equaling about one-quarter of the sample standard deviation. Looking at the three major CSR categories, the coefficient estimate is negative for all three but is statistically significant only for the environmental and social ratings, with t-statistics of –2.04 and –2.26, respectively. The ENV category is also the only one where the coefficient is negative and statistically significant (though only marginally, with a t-statistic of –1.93) in the first year after Sinclair entry.[27]

Next, we plot the dummy coefficient estimates for Equation 2 in Figure III. The four panels show the results when the dependent variable is the CSR rating and its three subcategories, environmental, social, and governance ratings. We make a minor change by adding year dummy variables going back to $Before^{\leq -5}$ and forward to $After^{\geq +5}$ so that overall we have ten such variables. With this finer partition, trends can be seen more clearly in the figure. The y-axis shows the coefficient estimates, and the x-axis is the time relative to Sinclair exposure. The dashed lines depict the 90% confidence intervals for the estimates.

[27]This is consistent with the fact that climate change is one of the most polarizing issues for the American public. Public attitudes towards climate, energy, and environmental issues are strongly correlated with party ideology, whereas other kinds of scientific issues are not. For example, see "Of Democrats with high levels of science knowledge, just about nine out of ten people trust environmental scientists. Of Republicans with high levels of science knowledge, less than half trust environmental scientists." at https://grist.org/article/climate-change-is-the-one-area-of-science-republicans-tend-to-doubt/ and Pew Research's report on the politics of climate change at https://www.pewresearch.org/science/2016/10/04/the-politics-of-climate/.

There are two principal takeaways from this analysis. First, the effect of Sinclair entry on CSR ratings is gradual but persistent, with coefficient estimates that are declining into year 5. Second, there is no discernible pattern in the period before Sinclair entry, showing that the parallel trends assumption is satisfied between the treated and the control firms.

III.C. Regression Analysis

Our baseline regression estimates the effect of Sinclair on CSR in a DiD setting:

$$CSR_{i,t} = \alpha_i + \alpha_{s,t} + \beta Sinclair\ TV_{i,t-3} + \gamma\prime X_{i,t-1} + \epsilon_{i,t} \tag{3}$$

where i, s, and t index firm, state, and year, respectively. $Sinclair\ TV_{i,t-3}$ is a dummy variable that equals one if firm i is headquartered in a DMA with at least one Sinclair TV station in year $t-3$ and zero otherwise. $X_{i,t-1}$ is a vector of firm controls that includes size, leverage, ROA, Tobin's Q, cash holdings, sales growth, advertising costs, and R&D expenses. α_i and $\alpha_{s,t}$ represent firm and state-year fixed effects. Since the local media environment is the same for all firms located in a given DMA, we cluster standard errors at the DMA level.[28]

We present the estimation results with no firm controls in column (1) and with controls in column (2) of Table V. In both specifications, the *Sinclair TV* coefficient is negative and highly statistically significant, with t-statistics of –4.33 and –4.17. The economic magnitude is also large. Taking the estimates in column (2), for treated firms the post-Sinclair CSR rating is 0.322 lower than their pre-Sinclair CSR rating, which is equivalent to 14.4% of its sample standard deviation (σ= 2.242). The inclusion of firm-level controls does not matter much, as the coefficient estimates are almost the same across the different specifications.

Next, we examine in columns (3) through (5) how Sinclair presence affects the three CSR categories, using the same baseline regression given by Equation 3. The ratings for all three decrease after Sinclair enters, but the coefficient estimates are statistically significant only for the *ENV* (t-statistic = –3.81) and *GOV* (t-statistic = –4.97) categories. In terms of economic magnitude, post-Sinclair environmental and governance ratings decline by 16.9% and 19.5% of the sample standard deviation, respectively.

Finally, we assess whether the reduction in CSR ratings stems from declines in CSR

[28]The results remain statistically significant when we re-estimate the model using alternative ways of clustering standard errors, as shown in Panel B of Table XII.

policy strengths or from increased concerns about such policies. To this end, in columns (6) and (7) we estimate the baseline specification separately for these two components of the overall CSR rating. The coefficient on *Sinclair TV* is −0.142 (t-statistic = –2.38) for CSR strengths and 0.180 (t-statistic = 3.63) for CSR concerns.[29] Based on the magnitude of the coefficients, we conclude that Sinclair exposure decreases CSR strengths and increases CSR concerns roughly in equal measure.

III.C.1. Firms in Neighboring DMAs

In Section II., we show that local demographic, economic, and ideological conditions do not influence Sinclair expansion across TV markets, with the exception of population size. The ideology result is the most important one, as it is not consistent with the supposition that Sinclair entry simply follows preexisting political attitudes. The temporal dynamic test in Table IV further studies the possibility of reverse causality between CSR ratings and Sinclair exposure, finding no evidence in support of this hypothesis. While these results alleviate concerns about endogeneity driving the negative relation between Sinclair presence and CSR ratings, they do not conclusively resolve them. It is still possible that some unobserved differences between treated and untreated DMAs drive both the Sinclair decision to enter and changes in local firms' CSR ratings.

Here we attempt to address this issue by comparing CSR rating changes of firms whose headquarters are physically close but belong to DMAs with different Sinclair exposure. When firm headquarters are sufficiently close, they likely operate in similar demographic, economic, and political environments. We are thus comparing two firms that differ solely in the treatment effect. Any difference in their CSR rating changes can be interpreted as a result of Sinclair's entry.

To begin, we select the treated firms as the ones headquartered in DMAs with Sinclair entry and having non-missing CSR ratings both before and after the event year. The set of potential control firms includes those located in counties with no Sinclair presence throughout the sample period. We identify 458 treated firms and 1,945 potential control firms. Next, for each treated firm i with the event year t, we pick firms located within D miles from firm i as

[29] CSR rating is computed as the strengths rating minus the concerns rating. Taking the difference between the two coefficient estimates, –0.142 – 0.180 = –0.322, we get the coefficient estimate in column (2), where the dependent variable is the overall CSR rating.

controls, where $D = 100$ or 150 miles.[30] We use year t as the pseudo-event-year for control firms of the treated firm i. Since not every treated firm has control firms in neighboring counties, the sample contains 366 treated firms with $D = 100$ and 416 treated firms with $D = 150$.[31] We then compute the average CSR rating (or one of its three components) for each firm before and after the (pseudo) event year t. The change in CSR rating around t is simply the post-t average CSR rating minus the pre-t average rating. In case a treated firm is matched with multiple control firms, we take the average across the control firms. In the last step, we compare CSR ratings changes between treated and control firms using a DiD estimator.

Table VI illustrates that the DiD estimator for the CSR rating is strongly negative for both $D = 100$ and 150 miles, with coefficient estimates (p-values) of –0.198 and –0.313 (0.032 and 0.000), respectively. Even in this stringent test where treated firms are compared only to their close neighbors, we find that Sinclair's entry leads to a significant decline in CSR ratings. The findings are similar for environmental ratings, while for social ratings, the DiD estimator is statistically significant only for the 150 miles distance (perhaps because the sample is larger with greater distance). Similar to our temporal dynamic tests, the effect is not significant for governance ratings. Overall, this evidence corroborates the baseline finding that Sinclair's presence negatively impacts firms' CSR ratings.

Interestingly, we observe that both treated and control firms experience increases in their aggregate CSR rating as well as in its *ENV* and *GOV* components. By contrast, both suffer declines in their *SOC* score. While the origin of these trends is beyond the scope of our paper, we note that they correspond to time-series trends in sample average ratings, which increase (decrease) for the aggregate score, the environmental score, and the governance score (social score).

III.C.2. Firms with Local vs. Non-Local Activities

As we describe above, we determine firms' locations based on their headquarters. While headquarters is an important office for any business, exposure to local conditions will still vary greatly across firms. For some, most of their employees and sales are located in the geographical area around the central office. For others, employees and sales are widely spread

[30] The distance is calculated using the zipcodes for the two firms' headquarters address.

[31] We also conduct the same exercise for $D = 50$ miles. The results are qualitatively similar but lack statistical significance, possibly due to the small sample size of only 108 firms.

across the U.S. and across many countries. If Sinclair presence indeed affects CSR policies by changing local political attitudes or the amount of local news coverage, the effect should be more pronounced for the former group. In this section, we explore this hypothesis by estimating the impact of Sinclair separately for the two types of firms.

We start by collecting data on the share of a firm's activities that is concentrated in the area where the firm is headquartered. Our source is the database compiled by Garcia and Norli (2012), who use textual analysis of 10-K filings to provide the share of activities for each Compustat firm that is conducted in each U.S. state. We define a firm as having mostly local (non-local) operations if more (less) than 50% of its activities take place in its home state.

We then run our baseline specification separately for the two subsamples, and report the estimates in Table VII. Panel A presents the results for firms with mostly local operations, while Panel B for firms with mostly non-local operations. There are several important findings. First, Sinclair presence has a negative effect on CSR ratings for both types of firms, suggesting that the impact of the local media environment is not confined to only firms with mostly local activities. Firms with national and international reach are still affected by media developments around their headquarters. Among other implications, this result validates our approach of using a firm's headquarters to establish its media market location.

Second, the *Sinclair TV* coefficient estimate in Panel A is greater in absolute magnitude than Panel B for the overall CSR rating, for each of the three subcategories, and for both CSR strengths and weaknesses. This is consistent with the expectation that the local media environment matters more for firms with mostly local activities, as firms with geographically dispersed operations also need to take into account the preferences of stakeholders located further away from the firms' headquarters. Third, the coefficient estimate for the social rating, which was not statistically significant over the whole sample (see column (4) of Table V), is highly significant (t-statistic = –3.10) for local firms. This result is not surprising because the *SOC* component in the KLD database is constructed based on issues such as community engagement and community impact. This evidence also lends support to the hypothesis that local media affects CSR activities.[32]

[32]See MSCI methodology at `https://www.msci.com/documents/1296102/21901542/ESG-Ratings-Methodology-Exec-Summary.pdf` and a more detailed RiskMetrics Group ESG Analytics qualitative issues methodology at `http://www.pornsit-jiraporn.com/Getting_Started_With_KLD_STATS.pdf`.

III.C.3. Stacked DiD

DiD models with unit and time fixed effects (two-way fixed effects, or TWFE hereafter) recently came under scrutiny (Goodman-Bacon, 2021; Callaway and Sant'Anna, 2021). The main problem is that when treatment effects are dynamic and there exists variation in treatment timing, the DiD coefficient represents a weighted average of these dynamic effects where some of these weights can be negative. Consequently, it is possible that the DiD estimate is biased. The literature provides at least three alternative DiD estimation methods to address this issue (Baker et al., 2022), including stacked DiD estimators based on Gormley and Matsa (2011), Callaway and Sant'Anna (2021), and Sun and Abraham (2021). Each of these alternative methods modifies the effective comparison units to avoid comparing treatment units to inappropriate controls.

To address concerns that this issue affects our findings, we examine their validity in a stacked DiD setting based on the method of Gormley and Matsa (2011), which is not affected by the above-described potential TWFE bias. We define treatment as the entry of Sinclair into the DMA in which the firm is located. For each year, we create a sample of firms that includes just the treated observations in a 10-year window centered around the event and set the "treated" variable equal to 1 for the post-event window. We define firms that receive treatment in the same year as being in the same *cohort*. For each cohort, we create a sample of control observations over the same 10-year window using any firm that was not treated in that year or the prior year. We also drop any control observations that become treated at a later point in time (e.g., if a control gets treated in year *t+1*, we drop its *t+1* and later observations from the sample). We then estimate the following model:

$$CSR_{i,j,c,t} = \beta D_{i,j,c,t} + \delta_{c,t} + \alpha_c + \gamma \prime X_{i,t-1} + u_{i,j,c,t}, \tag{4}$$

where i, j, c, and t index firm, county, treatment cohort, and year, respectively. $D_{i,j,c,t}$ is an indicator variable for whether firm i in county j and cohort c is treated by time t; $\delta_{c,t}$ is the year-cohort fixed effect and controls for the post dummy associated with each event; and α_c is the cohort fixed effect and controls for the treatment dummy in each cohort. γ summarizes coefficients on lagged firm-level controls $X_{i,t-1}$.

We report the results in Table VIII, which shows that the β coefficient estimate is negative and highly statistically significant (t-statistic = –3.50 and –4.62, without and with

firm controls, respectively). Furthermore, the coefficient magnitude is quite similar to the magnitudes in Table V. We conclude that our findings are not driven by the TWFE bias described by Goodman-Bacon (2021).

IV. Why Does Sinclair Presence Impact CSR Ratings? Potential Mechanisms

Martin and McCrain (2019) document the two key changes associated with Sinclair entry into a new market: (i) an ideological shift towards conservative-leaning content and (ii) substitution of local news for national news.[33] Either of these (mutually non-exclusive) channels can potentially explain why a firm's CSR rating declines in response to Sinclair establishing a presence in its local TV market.

First, Sinclair may influence a community's ideological preferences on CSR-related issues. The demand by stakeholders, such as employees, customers, and suppliers, is one of the major drivers of CSR (Hart and Zingales, 2017; Broccardo et al., 2020). Hence, if the conservative slant in Sinclair's programming affects local population's views on environmental, social, and community-oriented policies, this can in turn adversely affect firm propensity to engage in CSR activities. We refer to this mechanism as *change in local ideology*.

Second, decreased coverage of local issues by Sinclair TV stations may reduce firm incentives for CSR, as their activities in this area (or lack thereof) receive less media attention. This should be especially true for firms pursuing CSR to manage their public image.[34] We term this mechanism *reduction in local coverage*.

In this section, we explore both of these channels. Our tests on the change in local ideology investigate how Sinclair presence affects local views on CSR-related topics and political preferences. We examine the reduction in coverage channel through several cross-sectional tests that utilize both firm and DMA characteristics. Since the channels are not mutually exclusive (and may actually be mutually reinforcing), we do not attempt to decompose the overall effect into two separate components.

[33] See Figure A.1 in the Internet Appendix.

[34] Bénabou and Tirole (2010) show that social recognition is an important factor in charitable giving. According to Glazer and Konrad (1996), anonymous donations represent only 1% of total donations. Other studies also depict that the need for recognition in charitable activities is widespread. See, for example, studies on blood donations in Italy (Lacetera and Macis, 2008), voter behavior in Switzerland (Funk, 2010), and the case of the Shakespeare Theater Company in Washington, where "pretty much everything, including staircases and the coat room, has been named after somebody" (Isherwood, 2007).

IV.A. Change in Local Ideology

IV.A.1. Sinclair and Local Public Opinion

We obtain data on local public opinion from the Cooperative Congressional Election Study (CCES) administered by YouGov.[35] YouGov is an international research data and analytics group. The CCES is a 50,000+ person national stratified survey conducted in the fall of each year, and is designed to be representative of all national adults in the U.S. It asks a wide range of questions on political and social issues, which broadly fall into eight categories: abortion, environment, guns, illegal immigrants, military, affirmative action, gay marriage, and government spending.

We focus on the questions in the category that is most directly relevant to CSR policies: the environment.[36] Within the environment category, the responses are summarized by a scale variable, namely the *Environment Scale*, which measures attitudes towards climate change. Its values range from one to five, where one means "climate change is a serious problem" and five means "climate change is not occurring."[37] Given the existing political configuration in the U.S., we expect the environment scale to increase if the respondents in a region turn more conservative. The CCES data starts in 2006, so we merge it with the Sinclair DMA geographic distribution data from 2006 to 2016. We take an average of the environment scale variable by each respondent in the same county-year and construct a county-level scale variable.

We use this variable as the dependent variable in the following DiD regression specification:

$$Environment\ Scale_{c,t} = \alpha_c + \alpha_{s,t} + \beta Sinclair\ TV_{c,t-1} + \gamma\prime Z_{c,t} + \epsilon_{c,t}, \tag{5}$$

where c, s, and t index county, state, and year, respectively. $Sinclair\ TV_{c,t-1}$ is a dummy variable indicating whether county c is located in a DMA with at least one Sinclair TV station in year $t-1$. $Z_{c,t}$ is a vector of concurrent county-level control variables, including the unemployment rate, the percentage of the population with college or higher education, the percentage of female population, the log of total population size, and the percentages

[35] See https://cces.gov.harvard.edu and https://today.yougov.com/.

[36] While some of the other categories have clear ideological splits, as we explain below, they are not directly included in evaluating CSR performance. See the complete list of questionnaire items at shorturl.at/klqT2.

[37] The environment scale can take the values of 1, 2, 3, 4, and 5, with a sample mean of 2.24 and a standard deviation of 1.14 in the sample.

of senior, Hispanic, and African American populations. α_c and $\alpha_{s,t}$ represent county fixed effects and state-year fixed effects. Standard errors are clustered at the DMA level.

We present the estimation results in column (1) of Table IX, which show that opposition to climate change grows following Sinclair exposure. The effect is statistically significant (t-statistic = 2.08) and economically meaningful. The coefficient estimate is 0.104, which is equivalent to 9.12% of the sample standard deviation. This finding is consistent with the change in ideology channel, where Sinclair entry reduces local support for environmental policies, which in turn leads to worse environmental performance by local firms.

In the interest of completeness, we also study the relation between Sinclair entry and local views on the other seven CCES categories described above. We find that Sinclair presence is associated with more negative opinions on affirmative action. However, since none of the KLD data strengths and concerns address affirmative action for racial minorities (only representation for women is considered), we cannot directly link this result to CSR ratings, although it is certainly plausible that lower support for affirmative action is correlated with lower support for general CSR policies. For the remaining six categories, Sinclair does not affect local views. A potential, albeit speculative, explanation is that opinions on "hot-button" issues such as abortion, guns, illegal immigration, or gay marriage are firmly set and not easily influenced by media coverage. As with affirmative action, these topics are not explicitly included in determining CSR ratings.

IV.A.2. Sinclair and Local Political Preferences

In addition to directly impacting local perceptions of CSR-relevant issues, Sinclair broadcasts may induce a more general shift in political preferences and actions of the local community. Such a finding would be in line with previous studies suggesting that media can shape people's beliefs and change voter behavior (DellaVigna and Kaplan, 2007; Gentzkow, Shapiro, and Sinkinson, 2014; Adena et al., 2015; Durante et al., 2019). To explore this possibility, we focus on two manifestations of local political environment: county election results and political contributions.

County governments are an important component of the U.S. political landscape. Most counties in the U.S. have small legislatures, whose role is to determine budgets and other local policies. These legislative bodies, often called councils, commissions or boards, are typically elected. Several recent papers show that partisanship matters in local politics in much the

same way that it matters in national politics (see De Benedictis-Kessner and Warshaw, 2016, Einstein and Kogan, 2016, and De Benedictis-Kessner and Warshaw, 2020, among others). Following these studies, we construct the variable *Republican Share*, defined as the percentage of members on a county's legislative body associated with the Republican party. Unlike the county-level presidential voting data, which reflects a county's stance towards national issues and is updated every four years, this data reflects local political preferences and is updated annually. Thus, its advantage is that it allows us to measure changes in the local political environment and do so in a more timely fashion.[38]

We regress this variable on the lagged Sinclair TV dummy and a host of county-level economic and demographic variables. The regression equation is:

$$Republican\ Share_{c,t} = \alpha_c + \alpha_{s,t} + \beta Sinclair\ TV_{c,t-1} + \gamma\prime Z_{c,t} + \epsilon_{c,t}, \tag{6}$$

where c, s, and t index county, state, and year, respectively. $Sinclair\ TV_{c,t-1}$ is a dummy variable indicating whether county c is located in a DMA with at least one Sinclair TV station in year $t-1$. $Z_{c,t}$ is a vector of concurrent county-level control variables, which are the same ones as in Equation 5. α_c and $\alpha_{s,t}$ represent county fixed effects and state-year fixed effects. Standard errors are clustered at the DMA level.

As column (2) in Table IX shows, Sinclair presence is associated with a 4.7% (t-statistic = 2.48) increase in the percentage of Republican council members, consistent with the hypothesis that local media can influence voting behavior. Under the assumption that Republican legislators are less favorably disposed towards CSR, this signals a negative shift in local citizens' views on CSR. Moreover, a more Republican legislature can also directly influence firm behavior towards conservative values and policies. Both of these forces can lead locally headquartered firms to engage in fewer CSR activities.

Next, we investigate how political contributions by locally headquartered firms change with Sinclair exposure. We construct a firm-level variable, *Rep minus Dem*$_{i,t}$, which is the political contribution of firm i to the Republican party minus its contribution to the Democratic party in federal elections in year t. The source for campaign contributions data is the Federal Election Commission (FEC), compiled by the Center for Responsive Politics

[38]When we use *Republican Share* in Table II instead of *Republican Votes* (the county-level percentage of Republican votes in the last presidential election), we find that *Republican Share* also does not predict future Sinclair entry.

(available at http://www.opensecrets.org). Contributions are measured as the total sum of contributions by each firm per each (two-year) election cycle. This means that data points are generated every other year, causing the number of available observations for this analysis to be less than that for the baseline regression. Since not all firms contribute to political campaigns, this variable is missing for some firms in our sample.

We use these political contributions as the dependent variable in the following regression:

$$Rep\ minus\ Dem_{i,t} = \alpha_i + \alpha_{s,t} + \beta Sinclair\ TV_{i,t-1} + \gamma\prime Z_{i,t-1} + \epsilon_{i,t}, \tag{7}$$

where i, s, and t index firm, state, and year, respectively. $Sinclair\ TV_{i,t-1}$ is a dummy variable indicating whether the firm i is located in a DMA with at least one Sinclair TV station in year $t-1$, and zero otherwise. $Z_{i,t-1}$ is a vector of firm controls including size, leverage, ROA, Tobin's Q, cash holding, sales growth, advertising costs, and R&D expenses. α_i and $\alpha_{s,t}$ represent firm fixed effects and state-year fixed effects.

We find in column (3) that the β coefficient is positive and significant (t-statistic = 1.91), indicating that Sinclair presence is associated with increased relative contributions to the Republican party by locally headquartered firms. The effect's economic magnitude is equal to 11.75% of the sample standard deviation (= \$7,043/\$59,934). Similar to the tests using voting behavior, the results here provide evidence consistent with a political shift towards Republicans, the party less supportive of CSR, stemming from Sinclair entry.

IV.B. Reduction in Local Coverage

We examine the local coverage channel through several cross-sectional tests. For the first two, we construct proxies for how much firms benefit from good CSR ratings. The third relates the impact of Sinclair presence on CSR to institutional ownership. The final test focuses on the magnitude of the (potential) reduction in coverage.

Assuming local media helps disseminate information about CSR activities, reduced local coverage should decreases the benefits of CSR strengths and/or costs of CSR shortcomings. This, in turn, decreases the incentive for firms to invest in CSR policies. This effect should be stronger for firms that are more sensitive about their CSR ratings. One set of such firms are those with high customer awareness, as Servaes and Tamayo (2013) demonstrate that customer awareness, measured by advertising expenses, determines whether CSR ratings

contribute to firm value.

To explore this prediction, we augment our baseline regression model by adding an interaction term between the Sinclair TV indicator and an indicator for firms with high (above sample median) advertising costs. The model already includes advertising costs as a control variable. Column (1) in Table X presents the results. The coefficient on the interaction term is negative and significant (t-statistic = –2.51), consistent with the hypothesis that Sinclair entry has a larger effect (48.9% greater based on coefficient estimates) on CSR ratings of firms that are more concerned with their public image.

Next, we focus on firms in the alcohol, tobacco, and gambling industries, also known as "sin industries" in the literature (see Hong and Kacperczyk, 2009; Choi, Gao, and Jiang, 2020). Firms in sin industries rely more heavily on CSR activities as a tool for reputation management (Jo and Na, 2012), and such activities enhance these firms' value (Cai et al., 2012). Therefore, similar to our argument for firms with high customer awareness, reduced coverage by local media should have an especially strong effect on CSR ratings of sin-industry firms. We tests this hypothesis by constructing a dummy variable *Sin Industries* indicating whether a firm is involved in alcohol, tobacco, or gambling. We add this dummy and its interaction with *Sinclair TV* variable to our main specification, and show the estimates in column (2). We find that the Sinclair entry-CSR relation is significantly more negative for sin firms, with the (absolute) coefficient increasing by 514% (t-statistic = –6.38), which again suggests that firms with greater public relation considerations respond more strongly to Sinclair presence and the consequent reduction in local news coverage.

Institutional investors provide an alternative channel of accountability for firms' CSR activities. Chen et al. (2020) report that an increasing number of institutional investors integrate CSR goals into their capital allocation process to meet client demand for sustainable investments (see also Li et al., 2020). Institutions can also influence CSR directly through engagement or shareholder proposals. We hence conjecture that Sinclair has less impact on CSR for firms with higher institutional ownership, as institutional demand for good CSR ratings counteracts the effect of reduced coverage. For example, pressure from institutional shareholders may cause firms to maintain CSR investments they would otherwise abandon when they are no longer highlighted in local broadcasts.

We define a dummy variable *Low IOR*, which equals one for firms with institutional ownership below the sample median, and interact it with *Sinclair TV*. We add the two

terms to our baseline regression and present the findings in column (3) of Table X. These show that firms with low institutional ownership experience a greater decline (87%, with a t-statistic of –2.45) in CSR ratings in response to Sinclair presence, supporting the hypothesis that institutional investors partly offset Sinclair's influence.

If reduced coverage of local events by Sinclair affects firms' incentives to pursue CSR activities, the effect should depend on Sinclair's market share in the local TV market. When there are many non-Sinclair TV stations that continue reporting on CSR policies, Sinclair's de-emphasis of local news will matter less. We examine this prediction by constructing a dummy variable *High % of Sinclair TV*, which equals one if Sinclair TV stations represent at least 50% of all TV stations in a given market. We then interact *Sinclair TV* with *High % of Sinclair TV* and add the term to our baseline specification. The estimates in column (4) confirm that CSR ratings drop much more (253%, with a t-statistic of –6.60) in Sinclair-dominated markets.[39]

Overall, the evidence in this section suggests that Sinclair entry negatively affects CSR ratings of local firms both through shifts in ideology and reduced local news coverage. Both channels are economically important and represent significant changes in the affected regions whose impact likely goes well beyond CSR, a topic we leave for future research.

V. Firm Outcomes

CSR ratings represent an aggregate measure of firm policies and actions. When these change, firm outcomes should change as well. We now test this hypothesis using two different measures of corporate behavior, violations of federal laws and regulations and toxic chemical emissions. The former captures various forms of bad corporate citizenship, including many that are directly related to CSR, while the latter is more narrowly focused on firms' environmental performance.

Our objective here is to examine whether Sinclair entry affects measurable CSR outcomes. A negative relation would not only demonstrate that Sinclair's presence has tangible economic effects, but would also address concerns that CSR ratings do not reflect how firms actually act in CSR matters.

[39]This result is also consistent with the change in local ideology channel, since a larger market share can help Sinclair exert a greater influence on the local audience.

V.A. Violations

We collect data on corporate misconduct from Violation Tracker, covering the period from 2000 to the end of our study. This dataset is maintained by Good Jobs First, a non-profit organization promoting government and corporate accountability in using public funds, and covers banking, consumer protection, false claims, environmental, wage and hour, safety, discrimination, price-fixing, and other cases resolved by federal regulatory agencies and the Department of Justice.[40]

For each firm, we compute the total number of violations it committed in a given year. In order to focus specifically on CSR-related matters, we also sum up the violations in three separate categories: environmental violations, workplace safety (OSHA) violations, and employment-related violations. The last category includes issues such as workplace discrimination and wage and salary disputes, which are often linked to breaches of the Fair Labor Standards Act.[41]

Since violations are a relatively rare occurrence (at least those that are successfully pursued by the federal government) in any particular year, we aggregate them at the DMA-state level. We then explore the relation between Sinclair entry and violations through the following regression specification:

$$Violations_{d,s,t} = \alpha_d + \alpha_{s,t} + \beta Sinclair\ TV_{d,t-3} + \epsilon_{d,s,t}, \tag{8}$$

where d, s, and t index DMA, state, and year, respectively. Standard errors are clustered by DMA.

The results, provided in Panel A of Table XI, show that Sinclair presence has a positive impact on all violations, all CSR violations, and violations in three separate CSR-relevant categories. The relation is statistically significant in all cases except environmental violations (t-statistic = 1.53) and economically important. For example, Sinclair entry is associated with an increase of 0.12 standard deviations (computed as coefficient estimate, 0.936, divided by sample standard deviation, 7.703) in the total number of violations (t-statistic = 2.31).

[40] Heese and Pacelli (2023) use Violation Tracker data to examine how social media activity influences corporate misbehavior.

[41] Other relevant topics cover violations of the Americans with Disabilities Act, Davis-Bacon Act, Fair Labor Standards Act, Service Contract Act, and Uniformed Services Employment and Reemployment Rights Act as well as child labor or youth employment violations, earned sick time law violations, kickbacks and bribery, meal/rest break violations, minimum wage violations, mis-classification, nuclear safety violations, overtime and other pay violations, prevailing wage violations, sexual harassment, tip dispute, and work visa violations.

The findings are similar in both magnitude and significance for CSR-related violations, and they become stronger if we exclude DMA fixed effects from the specification.

V.B. Toxic Releases

The data on toxic emissions comes from the Environmental Protection Agency's (EPA) Toxic Release Inventory (TRI). TRI is a facility-level database tracking the industrial management of toxic chemicals, which is compiled from facilities meeting specific reporting criteria.[42] Qualifying facilities self-report the data to the EPA, which uses audits to discover irregularities. Despite some identified inaccuracies, particularly in facilities with minimal toxin emissions, most problems appear to arise from lack of awareness rather than intentional evasion. Moreover, evidence suggests that the overall impact of misreporting on aggregate TRI data is negligible (Akey and Appel, 2021), and it exhibits limited systematic over- or underestimation (Bui and Mayer, 2003).

In our analysis, we study on-site and off-site chemical emissions. According to the EPA website, on-site and off-site releases measure the total combined emissions into the air, discharges into surface water, and land disposal activities at a facility. We aggregate these releases by facility-year, and match each facility to its parent company. We estimate the effect of Sinclair presence on facility toxic releases through the following regression:

$$ToxicRelease_{i,t} = \alpha_p + \alpha_{s,t} + \beta Sinclair\ TV_{i,t-3} + \epsilon_{i,t}, \tag{9}$$

where i, p, s, and t index facility, parent company, state, and year, respectively. We include parent firm and state-year fixed effects to control for unobserved heterogeneity in firm policies regarding toxic releases and time-varying state characteristics such as pollution regulations.

Panel B of Table XI reports the results. We find that Sinclair presence is positively related to toxic releases, though the relation is not statistically significant for on-site emissions. In terms of economic magnitude, Sinclair entry leads to a 0.264-standard-deviation increase (t-statistic = 1.69) in total on-site and off-site releases.

The tests in this section indicate that the negative impact of Sinclair is not limited to CSR ratings but also extends to CSR-relevant firm outcomes. This is an intuitive finding, but is

[42] These criteria entail having a minimum of 10 full-time employees, operating within roughly 400 industries delineated by the six-digit NAICS classification, and employing nearly 600 designated chemicals. Reporting thresholds for most chemicals require emissions exceeding 25 thousand pounds annually or 10 thousand pounds for other usage scenarios, although more stringent thresholds may apply to certain substances.

nonetheless important for two reasons. First, it demonstrates real economic effects associated with Sinclair entry. Second, it alleviates concerns that CSR ratings do not accurately capture actual firm behavior.

VI. Robustness Tests

Our results above show that Sinclair entry leads to lower CSR ratings of locally headquartered firms. We then identify two potential channels driving this relation: an ideological swing away from pro-CSR values and reduction in local news coverage. We now scrutinize the robustness of these findings through a variety of tests.

VI.A. Placebo Test

One potential concern is that a shock affecting CSR, omitted from the baseline specification, coincides with Sinclair's decision to target a given DMA. The staggered nature of Sinclair entry across time and space mitigates this concern to a significant degree. There is a low probability that a series of unobserved shocks take place at the same time as Sinclair entry and in the same affected DMAs. Regardless, we re-examine the validity of the main results by conducting a placebo analysis.

We first obtain the empirical distribution of Sinclair-entry years for different DMAs. Using this distribution, we assign these years randomly across DMAs and re-estimate our baseline specification with the resulting pseudo sample. We repeat this procedure 1,000 times. If our principal results are indeed driven by Sinclair entry, then the random reassignment of entry years should generate no relation between pseudo Sinclair exposure and CSR rankings. By contrast, if the baseline findings arise due to chance, then the placebo samples should yield results that are not significantly different from those based on the actual sample, as the main driver of the outcome variable (CSR) still resides in the testing framework.

We plot in Figure IV the histogram of the distribution for the t-statistics on the *Sinclair TV* coefficient. The y-axis shows the frequency of the t-statistics. The red dashed line on the left marks the t-statistic of the true baseline regression, which is -4.169. This is clearly below the first percentile of the placebo distribution, demonstrating that our main finding is unlikely to be explained by pure chance. The results (untabulated) are the same when we run similar placebo tests for the three subcategories of CSR ratings.

VI.B. Randomly Dropping DMAs

To address the possibility that the Sinclair-CSR effect depends only on a few DMAs, we use a bootstrapping test. More specifically, we bootstrap the original sample 1,000 times, randomly dropping 5% or 10% of the sample DMAs. We then run our baseline regression for each of the resulting sub-samples. Figure V (A) shows the distribution of t-statistics for the coefficient on *Sinclair TV* when 5% of the DMAs are dropped, and Figure V (B) does the same for the case when 10% of the DMAs are dropped. In both figures, more than 95% of t-statistics are below -2.57, confirming that our findings are not driven by just a few DMAs with potentially unobserved but relevant economic or ideological characteristics.

VI.C. Other Robustness Checks

We conduct several additional robustness tests with alternative regression specifications and alternative samples. We always include all the original control variables, but do not report their coefficient estimates for brevity.

VI.C.1. Alternative Specifications

In Table XII, we estimate the relation between Sinclair presence and local-firm CSR ratings using a variety of alternative specifications.[43] First, we use three different proxies for Sinclair exposure in place of *Sinclair TV* dummy variable. *Sinclair TV #* is the number of local Sinclair TV stations in the DMA where a firm's headquarters are located. In our sample, *Sinclair TV #* ranges from 0 to 4. *Sinclair Average Exposure* is the average number of local Sinclair TV stations in the DMA per year from the beginning of the sample period up to year t. *Sinclair Years Presence* is the number of years Sinclair has been present in a DMA up to the current year. To maintain consistency with the baseline results, we lag these variables by three years. Panel A in Table XII reports the estimates, with the impact of Sinclair presence on CSR rankings remaining negative and significant for all three alternative measures.

Second, we apply alternative clustering methods. In Panel B, column (1) shows the baseline (clustering at the DMA level), and columns (2) to (5) show the results when standard

[43]The numbers of observations is sometimes different than in the baseline (25,631) for two reasons: (i) when fixed effects are changed from the baseline, new singletons in fixed-effect groups are automatically dropped; and (ii) including additional control variables excludes more observations when they contain missing values for these variables.

errors are clustered by year, DMA-year, county, and double-clustered by DMA and year. The findings are still highly statistically significant, regardless of the exact clustering approach.

Third, in Panel C we address the possibility that unobserved industry trends contribute to the decline in CSR ratings of treated firms over time. We add industry-year fixed effects to the baseline specification, where industries are defined based on two-digit SIC codes, and find that our results again hold.

Fourth, although the evidence so far indicates that socioeconomic or political trends in treated counties do not drive Sinclair entry, we further account for such potential effects by including county-level demographic and economic characteristics in the regression specification. As Panel D shows, the *Sinclair TV* coefficient remains statistically significant, and its magnitude is quite similar to that in the baseline.

Finally, we explore the role of CEO characteristics, which previous literature proposes that they may affect firms' CSR policies (Di Giuli and Kostovetsky, 2014). While including firm fixed effects in the model captures unobserved time-invariant firm characteristics, CEOs can change over our sample period. Hence, in Panel E we control for CEO characteristics, including age, gender, and total compensation. With or without firm-level controls, the findings do not change relative to those in the baseline specification.

VI.C.2. Alternative Samples

Next, we conduct robustness tests using alternative subsamples, and present the results in Table XIII. First, we investigate whether the effect of Sinclair on CSR is only concentrated in earlier or later periods of the sample. We split the sample period into the two 10-year periods, 1996−2006 and 2007−2016, and estimate our model separately for each period. Panel A shows that the Sinclair-CSR relation is strong in both periods, with the *Sinclair TV* coefficient estimate of –0.342 (t-statistic = –2.41) and –0.265 (t-statistic = –2.14) in the first and second halves of the sample period, respectively. Since the first half of the sample coincides with the period when Fox News expanded across the U.S., this result also provides further evidence that Fox News expansion does not explain our findings.

Second, we examine whether observations with extreme (small or large) CSR-ranking values drive the results. It is possible that firms with the highest CSR ratings are more prone to downward adjustments or that firms with the lowest CSR ratings are persistently less committed to social and environmental policies. If so, our findings would not represent

a general, widespread effect. We address this concern by dropping observations with CSR values in the top 10%, top 20%, bottom 10%, and bottom 20% of the CSR distribution. We also create an alternative sample that excludes observations with CSR ratings in both the top and bottom deciles. The estimation results in Panel B show that the Sinclair-CSR relation remains negative and significant in all five subsamples, indicating that our findings are not driven by extreme values.

Third, we investigate whether our results hold across firms with different sizes. Since large firms usually receive more attention by media and investors, our findings may be limited to such firms. An alternative concern is that the effect is not economically meaningful if it exists only for very small firms. In Panel C, we exclude the top 5%, top 10%, bottom 5%, and bottom 10% of firm-year observations ranked by total assets size. The results are almost the same across all six subsamples and very similar to those based on the full sample.

Finally, we test whether regions with extreme ideological leanings account for our results. The impact of Sinclair entry may only exist in strongly conservative counties due to the homogeneous audience beliefs and media programming. The reverse can also be true, as Sinclair's effect may be limited to strongly liberal counties, where the Sinclair-related shock to existing ideological preferences is larger. We examine this issue by identifying the top 5% and 10% of counties based on votes for Democratic or Republican candidates in the most recent presidential election, and then excluding them from our analysis. The results in Panel D confirm that the effect is general, as Sinclair presence negatively affects CSR rankings in all subsamples.

VI.C.3. Alternative CSR Measure

Recent studies find that there is significant divergence across CSR ratings from different data vendors (see Berg, Koelbel, and Rigobon, 2022 and Avramov, Cheng, Lioui, and Tarelli, 2022). In their Online Appendix, Avramov et al. (2022) provide detailed information on the coverage of six ESG vendors: Asset4, Bloomberg, MSCI IVA, MSCI KLD, RobecoSAM, and Sustainalytics. We show this data in Table A.1. Asset4 and KLD are the only two vendors whose coverage begins before 2005. However, KLD has much broader coverage than Asset4, which is why we use it in our main analysis.

As an additional robustness test, we merge our sample with the Asset4 ESG data, which is owned by Refinitiv (henceforth, we name this alternative CSR measure RE CSR). The

merged sample contains 6,149 firm-year CSR observations for 809 firms. The correlation between the KLD CSR and RE CSR is 0.41, which is very close to 0.42 documented by Berg et al. (2022). We run the same baseline analysis as in Equation 3 with RE CSR replacing the KLD CSR as the dependent variable and present the results in Table XIV. Consistent with our previous tests, there is a negative relation between Sinclair exposure and firms' CSR ratings, both overall and for individual components. Given that the ratings between these two datasets are not perfectly correlated and that they are the two most widely used datasets in the ESG literature, we conclude that our findings are not driven solely by a particular rating methodology.

VII. Conclusion

In this paper, we use a quasi-natural experiment in the local media environment, the expansion of Sinclair Broadcasting Group, to study the impact of partisan media on firms' CSR policies. We first show that Sinclair entry into a region is not related to its demographics or economic conditions. We then establish that Sinclair presence leads to lower CSR ratings of locally headquartered firms. This result is very robust, holding with different estimation methods (including stacked DiD regressions), in a variety of specifications, in different samples, and using an alternative CSR measure. Sinclair also negatively affects CSR-relevant firm outcomes such as violations of federal laws and regulations and toxic chemical releases.

Based on previous evidence that Sinclair TV stations exhibit a conservative slant and substitute local news with national news, we propose that Sinclair can decrease local firms' CSR ratings via two channels: change in local ideology and reduction in coverage of local issues. Using a variety of independent time-series and cross-sectional tests, we provide results that are consistent with both mechanisms.

Given the recent sharp increase in political polarization in the U.S. and the significant role that media plays in this trend, it is important to understand how exposure to partisan media affects the economy in general and corporate policies in particular. Our study shows that such exposure has a significant impact on one, ideologically divisive aspect of firms' activities, their CSR policies. The effect may be more widespread, both due to the increasing importance of ESG and political polarization extending to more issues. Our paper thus calls for more positive and normative research on the media's role in corporate decision-making.

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Appendix

Variable Description

CSR

- CSR: Corporate Social Responsibility rating is calculated using data from Kinder, Lydenberg, and Domini database. This database measures firms' CSR performance in three main categories: environmental, social, and governance domains.
- ENV: CSR rating in the environment category.
- SOC: CSR rating in the social category.
- GOV: CSR rating in the governance category.
- Strengths: Positive points in CSR ratings. CSR ratings is calculated as strengths minus concerns.
- Concerns: Negative points in CSR ratings.

Sinclair Exposure

- Sinclair TV: Dummy variable that equals one if a firm is headquartered in a DMA with at least one Sinclair TV station in the current year, and zero otherwise.
- Sinclair Ave. Exposure: Average number of Sinclair TV stations in a DMA per year since 1996 up to the current year.
- Sinclair TV #: Number of Sinclair TV stations in a DMA in the current year.
- Sinclair Years Presence: Number of years since Sinclair entered a DMA (based on the current year).

Firm Characteristics

- Assets: Total assets in $ billions, from Compustat.
- Size: Natural logarithm of total assets, from Compustat.
- Leverage: Long term debt plus debt in current liabilities, divided by total assets, from Compustat.
- ROA: Net income scaled by total assets, from Compustat.
- Tobin's Q: Market value of equity plus total assets minus book value of equity, scaled by total assets, from Compustat.
- Cash Holding: Cash and cash equivalents, scaled by total assets, from Compustat.
- Sales Growth: Annual sales growth rate, from Compustat.
- Advertising Costs: Annual advertising expenses, scaled by total assets, from Compustat.
- R&D: Annual R&D expenses, scaled by total assets, from Compustat.
- Low IOR: Dummy variable that equals one if institutional ownership is below the sample median, and zero otherwise. Institutional ownership data is from 13F filings in the Thomson-Reuters Ownership Data.
- Sin Industries: Defined as in Hong and Kacperczyk (2009) and Cahan et al. (2015). Dummy variable that equals one for (1) firms with SIC codes 2100, 2199, which are beer and liquor producers; (2) firms with SIC codes 2080, 2085, which are tobacco firms; and (3) firms with NAICS codes 7132, 71312, 713210, 71329, 713290, 72112, and 721120, which are gambling firms; and equals zero otherwise.

- Rep minus Dem: Firm's political contributions to the Republican party minus its contributions to the Democratic party in federal elections in each election cycle, measured every two years, from Center for Responsible Politics.
- Toxic Release: Facility-level annual toxic chemical emissions from EPA's Toxic Release Inventory (TRI) database. Emissions are measured in thousands of pounds.
- Violations: The annually-aggregated number of corporate misconduct violations committed by all firms located in a given DMA. The data is sourced from Violations Tracker database, compiled by Good Jobs First.

County Characteristics

- Unemployment rate: Collected from the Bureau of Labor Statistics for each county and year.
- % Republican Votes: Percentage of votes for the Republican candidate in a county in the most recent presidential election, from Harvard Dataverse.
- % College or Higher Education: Percentage of population with college or higher education in each county and year, from U.S. Census Bureau.
- % Female: Percentage of female population in each county and year, from U.S. Census Bureau.
- Log of Total Population: Log of the total number of inhabitants in each county and year, from U.S. Census Bureau.
- % Population above 65 Years Old: Percentage of population that is 65 or older in each county and year, from U.S. Census Bureau.
- % Hispanic Population: Percentage of Hispanic population in each county and year, from U.S. Census Bureau.
- % African American: Percentage of African American population in each county and year, from U.S. Census Bureau.
- Environment Scale: A measure of public opinion about climate change. The variable can take values from one to five, where one means "climate change is a serious problem" and five means "climate change is not occurring." The data is from the Cooperative Congressional Election Study (CCES) administered by YouGov. The county-year value is calculated by averaging all participating adults' opinions in the same county and year.
- Republican Share: Percentage of local legislators associated with the Republican party in each county and year, from Harvard Dataverse.

CEO Characteristics

- Age: CEO age, from ExecuComp.
- Gender: CEO gender, from ExecuComp.
- Total compensation: Total annual CEO compensation, from ExecuComp.

Figure I
DMAs, Counties, and States

This figure depicts counties within two particular DMAs. The upper map shows counties in the Philadelphia DMA that covers the tri-state region: Pennsylvania, New Jersey, and Delaware. The lower map shows the Mobile-Pensacola DMA that spans across Florida, Alabama, and Mississippi.

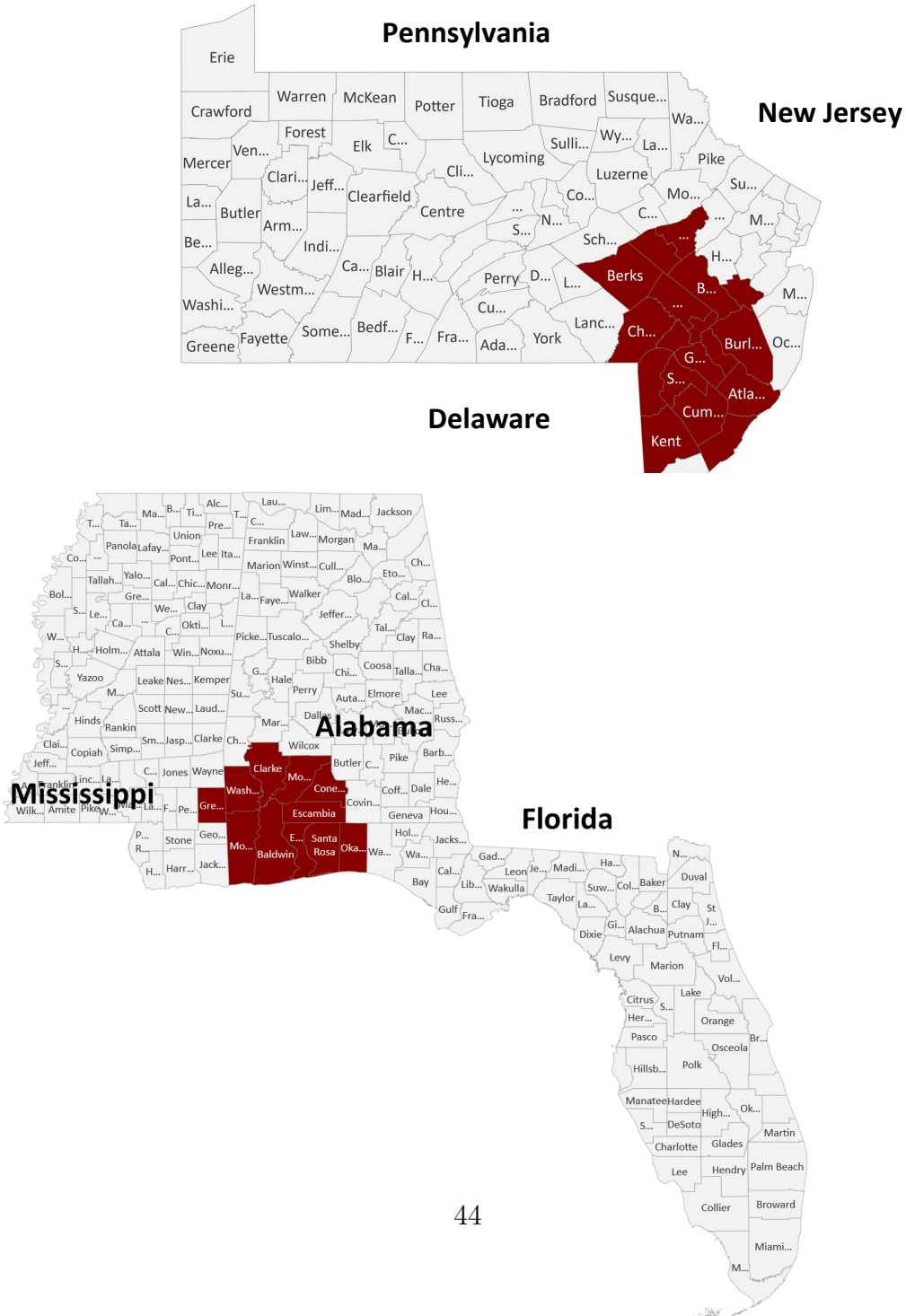
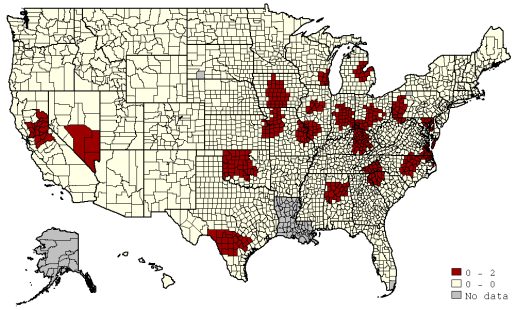
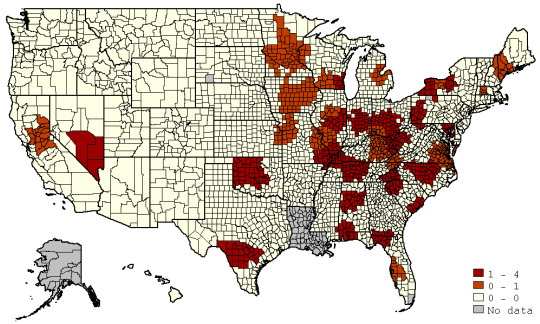


Figure II
Distribution of Sinclair TV Stations by County

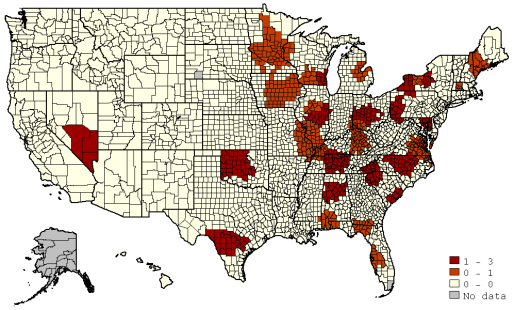
This figure illustrates the geographical distribution of Sinclair TV stations across U.S. counties from 1996 to 2016 (in five-year snapshots). The figure is color-coded with the number of Sinclair TV stations in each county.



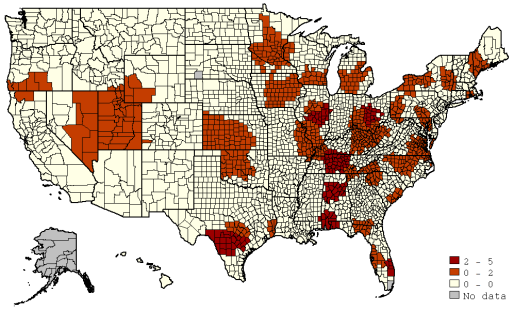
(A) 1996



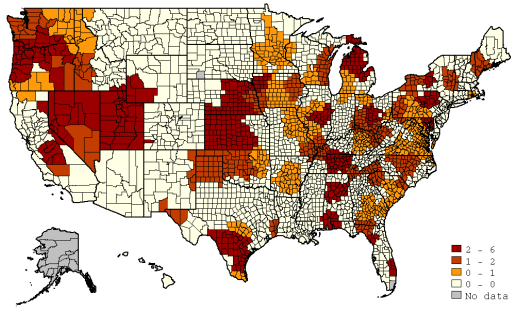
(B) 2001



(C) 2006



(D) 2011



(E) 2016

Figure III
Dynamic Effects Around Sinclair Entry

This figure shows the temporal dynamic effects of Sinclair exposure on CSR ratings of locally headquartered firms. The four panels show the coefficients when the dependent variable is the CSR rating and its three subcategories, environmental (ENV), social (SOC), and governance (GOV) rating. Specifically, we estimate the following model: $CSR_{ist} = \alpha_i + \alpha_{st} + \phi_1 Before^{\leq -5} + \sum_{m=1}^{4} \beta_i Before^{=-m} + \sum_{n=1}^{4} \gamma_j After^{=+n} + \phi_2 After^{\geq +5} + \gamma\prime X_{it-1} + \epsilon_{ist}$, where i, s, and t indicate firm, state, and year. $Before^{=-m}$ is a dummy variable that equals one if a firm's DMA contains at least one Sinclair station in year $t+m$, and $After^{=+n}$ is a dummy variable that equals one if a firm's DMA contains at least one Sinclair station in year $t-n$. On the y-axis, the graph plots the coefficient estimates for the ten event-year dummy variables that mark the relative timing of Sinclair exposure. The x-axis shows the year relative to Sinclair exposure. The dashed lines are the 90% confidence intervals, calculated based on standard errors clustered by DMA.

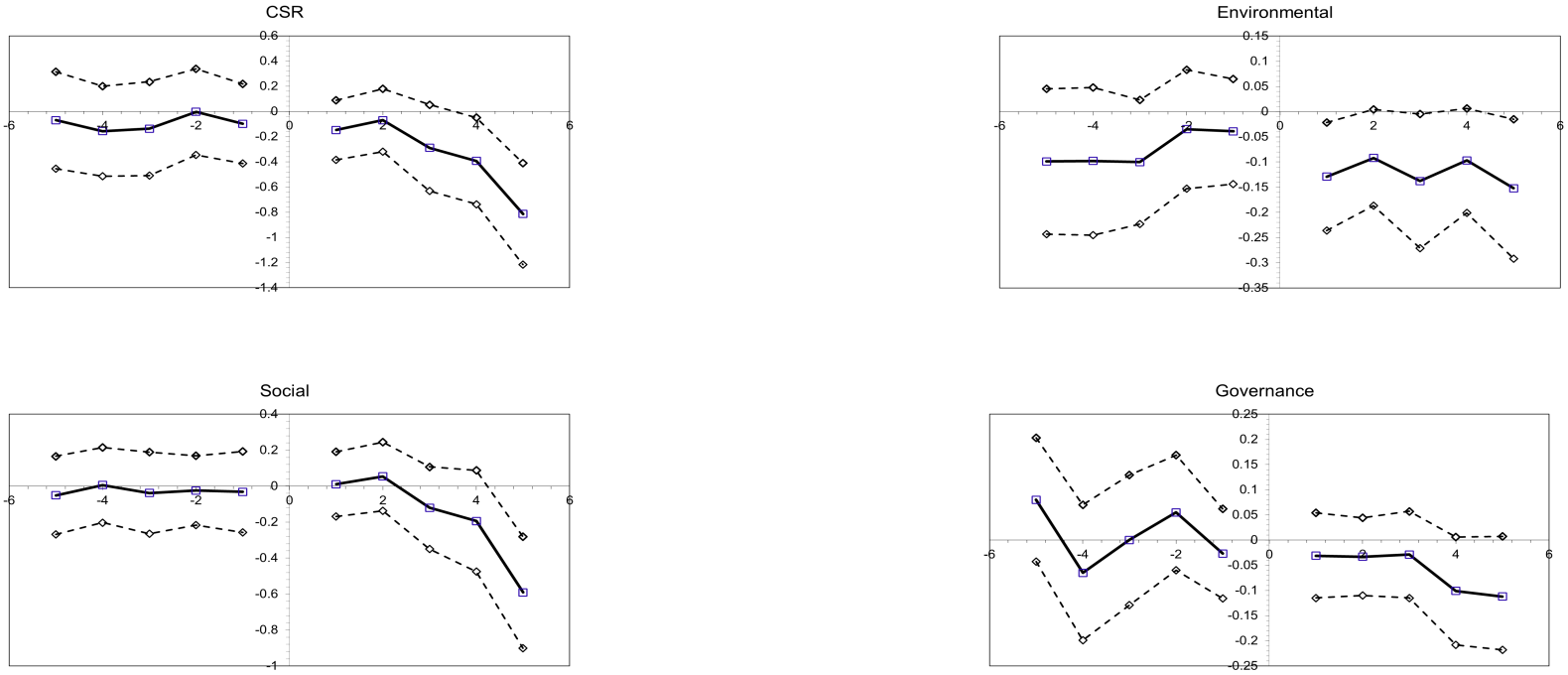


Figure IV
Placebo Test

This figure reports placebo test results when we randomize the treatment effect across sample firms. We use the original distribution of the Sinclair entry years and randomly reassign them as pseudo entry years across different DMAs. We then estimate its effect on CSR ratings using the baseline specification given by Equation (3). We repeat the procedure 1,000 times and plot the distribution of the resulting t-statistics for the coefficient estimate on the *Sinclair TV* variable in a histogram. The vertical dashed line indicates the t-statistic obtained from the actual sample (–4.169). Standard errors are clustered at the DMA level.

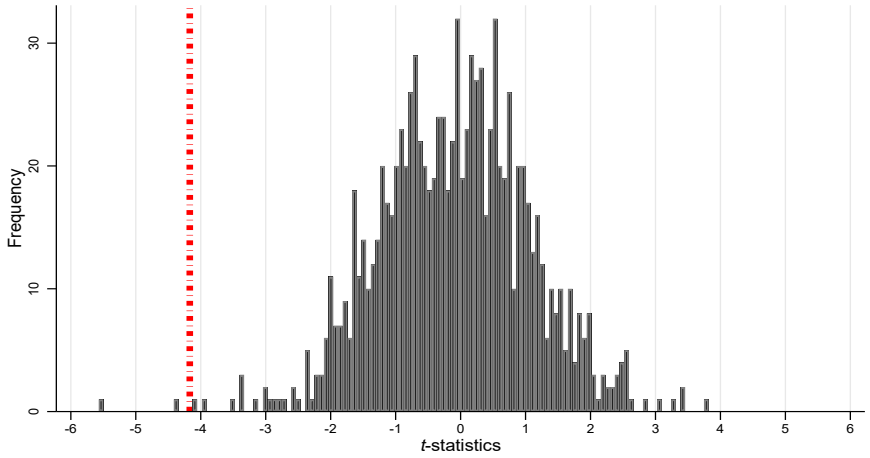
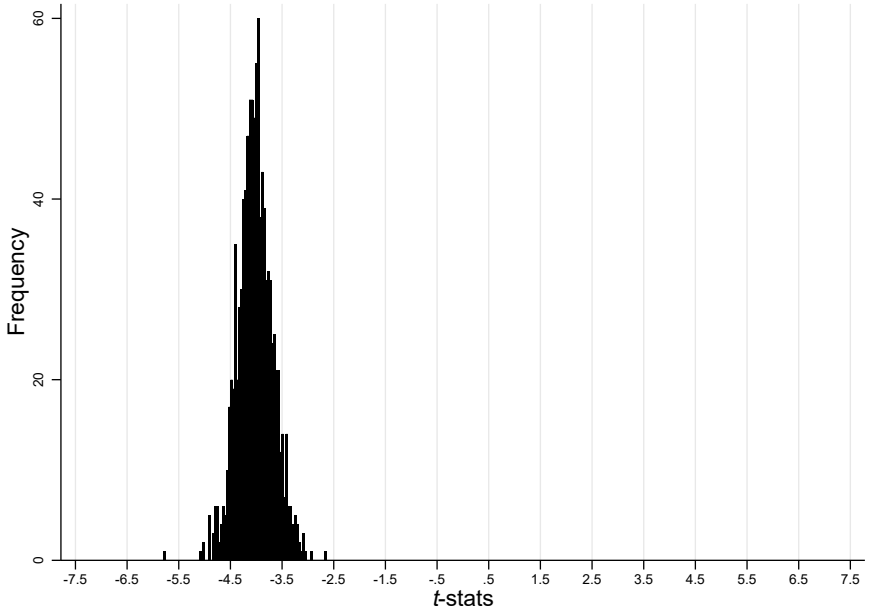
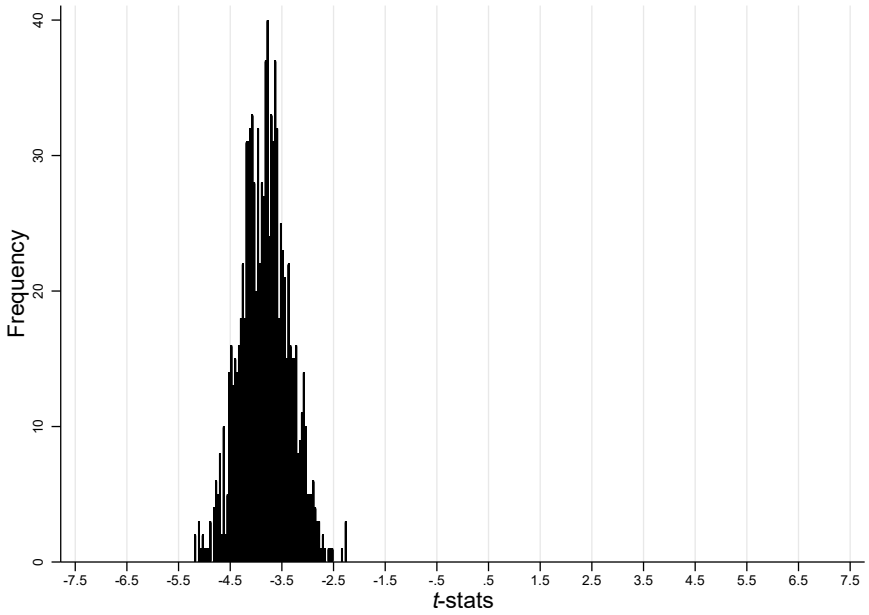


Figure V
t-statistics When Randomly Dropping DMAs

This figure reports bootstrapping results when we randomly exclude 5% or 10% of DMAs from the original sample. We obtain 1,000 pseudo samples, and for each we estimate the baseline regression specification given by Equation (3). The histogram shows the frequency distribution of t-statistics for the coefficient on the dummy variable *Sinclair TV*. Standard errors are clustered at the DMA level.



(a) Randomly dropping 5% of DMAs



(b) Randomly dropping 10% of DMAs

Table I
County Characteristics by Sinclair Exposure

The table reports economic, ideological, and demographic characteristics for counties with Sinclair presence and those without. Panel A compares county-year observations with or without Sinclair TV stations over the whole sample, while Panel B compares county observations in 2006. Unemployment data is from the Bureau of Labor Statistics. County-level presidential election voting data is from the Harvard Dataverse database. Data on total population, the percentage of population older than 65, the percentage of population with college education or higher, the percentage of female population, the percentage of Hispanic population, and the percentage of African American population comes from the U.S. Census Bureau. Details on variable construction are provided in the Appendix.

Panel A: County-year Observations over the whole sample

	Sinclair-exposed Sample			Unexposed Sample		
	Mean	Median	StdEv	Mean	Median	StdEv
Economic and ideological conditions						
Unemployment Rate	0.066	0.061	0.026	0.065	0.059	0.029
% Republican Votes	0.589	0.590	0.116	0.599	0.617	0.138
Demographics						
% College or Higher Education	0.180	0.160	0.084	0.180	0.158	0.084
% Female	0.502	0.505	0.021	0.501	0.505	0.021
Log of Total Population	10.383	10.267	1.278	10.198	10.087	1.539
% Population above 65 Years Old	0.166	0.162	0.042	0.162	0.157	0.045
% Hispanic	0.064	0.027	0.116	0.091	0.034	0.138
% African American	0.081	0.025	0.126	0.087	0.019	0.145
# of county-year observations	13,210			28,720		

Panel B: County Observations in 2006

	Sinclair-exposed Sample			Unexposed Sample		
	Mean	Median	StdEv	Mean	Median	StdEv
Economic and ideological conditions						
Unemployment Rate	0.052	0.049	0.018	0.051	0.049	0.018
% Republican Votes	0.601	0.601	0.122	0.591	0.611	0.139
Demographics						
% College or Higher Education	0.202	0.182	0.085	0.213	0.189	0.094
% Female	0.499	0.503	0.021	0.499	0.503	0.023
Log of Total Population	10.248	10.154	1.359	10.3	10.173	1.604
% Population above 65 Years Old	0.186	0.183	0.043	0.185	0.18	0.048
% Hispanic	0.084	0.039	0.136	0.105	0.043	0.141
% African American	0.078	0.022	0.126	0.095	0.023	0.151
# of county observations	1,507			1,488		

Table II
Sinclair Exposure and Regional Characteristics

This table examines the relation between DMA characteristics and Sinclair presence using Logit and OLS regressions. The dependent variable is $Sinclair\ Exposure_{d,s,t}$, a dummy variable that takes the value of one if there is at least one Sinclair station in DMA d in state s in year t. The explanatory variables are lagged by one year. Panel A uses data at the DMA-state level, and Panel B uses county-level data. DMA-state-level data is constructed by aggregating (for population) or averaging (for percentages) county-level data. Standard errors are clustered at the DMA level in both panels. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

Panel A: Panel Regressions with DMA-State-Year Observations

Dependent variable	Sinclair Exposure							
	(1) Logit	(2) Logit	(3) OLS	(4) OLS	(5) Logit	(6) Logit	(7) OLS	(8) OLS
Unemployment Rate	4.335	4.670	0.693	0.491	4.342	4.448	0.687	0.464
	(1.437)	(0.642)	(1.337)	(0.582)	(1.437)	(0.609)	(1.318)	(0.544)
% Republican Votes	−0.038	2.028	−0.057	0.234	0.002	1.993	−0.051	0.236
	(−0.028)	(0.927)	(−0.246)	(0.870)	(0.001)	(0.906)	(−0.222)	(0.879)
% College or Higher Education	1.843	−2.582	0.219	−0.341	1.826	−2.661	0.215	−0.346
	(0.861)	(−0.672)	(0.617)	(−0.728)	(0.853)	(−0.693)	(0.607)	(−0.742)
% Female	−14.515	−16.777	−2.509	−2.468	−14.400	−16.613	−2.481	−2.418
	(−1.619)	(−1.461)	(−1.383)	(−1.300)	(−1.597)	(−1.441)	(−1.356)	(−1.267)
Log of Total Population	0.004***	0.005***	0.001***	0.001***	0.004***	0.005***	0.001***	0.001***
	(3.563)	(3.867)	(3.372)	(3.587)	(3.588)	(3.860)	(3.385)	(3.578)
% Population above 65 Years Old	6.965*	−2.122	1.279*	−0.317	6.970*	−2.290	1.281*	−0.331
	(1.773)	(−0.356)	(1.766)	(−0.364)	(1.772)	(−0.381)	(1.765)	(−0.379)
% Hispanic Population	−2.340	−0.481	−0.274*	−0.038	1.827	−2.662	0.216	−0.039
	(−1.584)	(−0.256)	(−1.691)	(−0.216)	(0.853)	(−0.693)	(0.607)	(−0.225)
% African American	0.596	−0.019	0.091	0.000	−14.401	−16.614	−2.482	0.004
	(0.480)	(−0.006)	(0.383)	(0.001)	(−1.597)	(−1.441)	(−1.356)	(0.010)
Fox News Present					0.111	0.176	0.019	0.029
					(0.433)	(0.622)	(0.392)	(0.651)
Observations	4,718	4,536	4,718	4,718	4,718	4,536	4,718	4,718
Adjusted R^2			0.044	0.184			0.044	0.184
State FE		X		X		X		X
Year FE		X		X		X		X

Panel B: Panel Regressions with County-Year Observations

Dependent variable	Sinclair Exposure							
	(1) Logit	(2) Logit	(3) OLS	(4) OLS	(5) Logit	(6) Logit	(7) OLS	(8) OLS
Unemployment Rate	−0.194	−1.606	−0.040	−0.319	−0.184	−1.531	−0.040	−0.310
	(−0.058)	(−0.437)	(−0.056)	(−0.582)	(−0.055)	(−0.417)	(−0.056)	(−0.566)
% Republican Votes	−0.672	0.058	−0.152	0.009	−0.650	0.077	−0.147	0.011
	(−0.611)	(0.053)	(−0.671)	(0.058)	(−0.602)	(0.070)	(−0.663)	(0.073)
% College or Higher Education	−1.222	−0.084	−0.261	−0.020	−1.220	−0.038	−0.260	−0.017
	(−1.126)	(−0.089)	(−1.159)	(−0.134)	(−1.125)	(−0.040)	(−1.159)	(−0.118)
% Female	−3.423	−0.269	−0.656	−0.043	−3.428	−0.226	−0.657	−0.037
	(−1.236)	(−0.128)	(−1.187)	(−0.137)	(−1.236)	(−0.108)	(−1.186)	(−0.117)
Log of Total Population	0.190**	−0.063	0.038**	−0.009	0.189**	−0.064	0.037**	−0.009
	(2.291)	(−0.789)	(2.401)	(−0.776)	(2.286)	(−0.810)	(2.393)	(−0.790)
% Population above 65 Years Old	3.798*	−1.783	0.786*	−0.241	3.797*	−1.780	0.786*	−0.244
	(1.803)	(−0.718)	(1.786)	(−0.695)	(1.802)	(−0.716)	(1.786)	(−0.704)
% Hispanic Population	−2.119	0.585	−0.365	0.079	−2.100	0.592	−0.361	0.078
	(−1.285)	(0.439)	(−1.568)	(0.406)	(−1.273)	(0.444)	(−1.547)	(0.403)
% African American	−0.645	−0.143	−0.143	−0.020	−0.628	−0.138	−0.139	−0.020
	(−0.598)	(−0.100)	(−0.633)	(−0.087)	(−0.581)	(−0.096)	(−0.616)	(−0.089)
Fox News Presence					0.088	−0.187	0.020	−0.033
					(0.374)	(−1.123)	(0.374)	(−1.117)
Observations	41,930	40,474	41,930	41,930	41,930	40,474	41,930	41,930
Adjusted R^2			0.022	0.253			0.022	0.253
State FE		X		X		X		X
Year FE		X		X		X		X

Table III
Summary Statistics

This table provides summary statistics for firm characteristics, constructed using data from Compustat, and CSR ratings and its components, obtained from the Kinder, Lydenberg, and Domini (KLD) database. *ENV*, *SOC*, and *GOV* are CSR ratings in environmental, social, and governance categories. Details on variable construction are provided in the Appendix.

	Mean	SD	P25	Median	P75
Firm characteristics					
Assets ($B)	13.656	80.279	0.540	1.660	5.417
Leverage	0.214	0.195	0.043	0.183	0.324
ROA	0.129	0.138	0.061	0.125	0.194
Tobin's Q	1.963	1.373	1.098	1.473	2.250
Cash Holdings	0.194	0.256	0.033	0.095	0.256
Sales Growth	0.119	0.283	−0.007	0.075	0.185
Advertising Costs	0.012	0.032	0.000	0.000	0.006
R&D	0.037	0.081	0.000	0.000	0.033
CSR and sub-categories					
CSR	−0.114	2.242	−1.000	0.000	1.000
ENV	0.066	0.703	0.000	0.000	0.000
SOC	0.019	1.807	−1.000	0.000	1.000
GOV	−0.199	0.667	−1.000	0.000	0.000
Observations	25,656				

Table IV
Dynamic Effects around Sinclair Entry

This table reports estimation results for the regression specification given by Equation (2), which examines dynamic effects of Sinclair entry on CSR ratings of locally headquartered firms. $Before^{\leq -2}$ is a dummy variable that takes the value of one if a firm is exposed to Sinclair TV two or more years later, and zero otherwise. Similarly, $Before^{=-1}$ indicates exposure to Sinclair TV one year later, and $After^{=+N}$ indicates exposure to Sinclair TV N years ago. In columns (2), (3), and (4), we change the dependent variable to CSR subcategories of environmental (ENV), social (SOC), and governance ratings (GOV), respectively. The firm control variables are size, leverage, ROA, Tobin's Q, cash holdings, sales growth, advertising costs, and R&D expenses. Details on variable construction are provided in the Appendix. All specifications include firm fixed effects and the state-year interaction fixed effects. Standard errors are clustered at the DMA level. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

	(1)	(2)	(3)	(4)
Dependent Variable	CSR	ENV	SOC	GOV
$\text{Before}^{\leq -2}$	−0.104	−0.090	−0.062	0.049
	(−0.501)	(−1.146)	(−0.549)	(0.703)
$\text{Before}^{=-1}$	−0.108	−0.040	−0.042	−0.026
	(−0.570)	(−0.632)	(−0.306)	(−0.488)
$\text{After}^{=+1}$	−0.121	−0.127*	0.036	−0.030
	(−0.832)	(−1.931)	(0.323)	(−0.593)
$\text{After}^{=+2}$	−0.042	−0.089	0.078	−0.032
	(−0.280)	(−1.515)	(0.682)	(−0.695)
$\text{After}^{\geq +3}$	−0.525***	−0.135**	−0.332**	−0.058
	(−2.638)	(−2.038)	(−2.257)	(−0.933)
Observations	25,631	25,631	25,631	25,631
Adjusted R^2	0.506	0.436	0.543	0.399
Firm Controls	X	X	X	X
Firm FE	X	X	X	X
State-Year FE	X	X	X	X

Table V
Sinclair Presence and CSR Ratings

This tables provides estimation results for the baseline regression given by Equation (3). The principal variable of interest is the dummy variable *Sinclair TV*, which equals one if a firm's headquarters are located in a DMA with at least one Sinclair station and zero otherwise. All explanatory variables are lagged by one year, except *Sinclair TV*, which is lagged by three years. In columns (1) and (2), the dependent variable is the overall CSR rating from the KLD database. In columns (3), (4), and (5), the dependent variables are the three subcategories of CSR, environmental (ENV), social (SOC), and governance ratings (GOV). In columns (6) and (7), the dependent variables are the two components of CSR ratings: strengths and concerns. Details on variable construction are provided in the Appendix. All specifications include firm fixed effects and the state-year interaction fixed effects. Standard errors are clustered at the DMA level. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dependent Variable	CSR	CSR	ENV	SOC	GOV	Strengths	Concerns
Sinclair TV	−0.331***	−0.322***	−0.119***	−0.073	−0.130***	−0.142**	0.180***
	(−4.331)	(−4.169)	(−3.805)	(−1.186)	(−4.967)	(−2.382)	(3.629)
Size		−0.077	−0.109***	0.141***	−0.109***	0.299***	0.376***
		(−1.318)	(−4.145)	(3.990)	(−6.507)	(8.898)	(7.060)
Leverage		0.200	0.113**	0.036	0.051	−0.091	−0.291***
		(1.076)	(2.464)	(0.269)	(0.758)	(−0.647)	(−2.712)
ROA		0.355**	0.093	0.324**	−0.062	0.183	−0.172*
		(2.460)	(1.268)	(2.501)	(−1.245)	(1.400)	(−1.868)
Tobin's Q		−0.010	−0.015**	0.022	−0.017***	0.020	0.030***
		(−0.661)	(−2.500)	(1.647)	(−2.929)	(1.437)	(2.767)
Cash Holding		0.277***	0.133***	0.015	0.130***	0.036	−0.242***
		(2.708)	(5.640)	(0.151)	(6.266)	(0.372)	(−5.948)
Sales Growth		0.013	0.022	−0.061	0.052***	−0.057	−0.070**
		(0.266)	(1.612)	(−1.549)	(4.461)	(−1.373)	(−2.338)
Advertising Costs		−1.442	−0.939*	−0.588	0.085	−0.838	0.604
		(−1.167)	(−1.935)	(−0.653)	(0.201)	(−0.838)	(1.045)
R&D		−0.462	−0.231***	−0.259	0.028	0.243	0.705***
		(−1.629)	(−2.624)	(−0.823)	(0.255)	(0.743)	(4.053)
Observations	25,631	25,631	25,631	25,631	25,631	25,631	25,631
Adjusted R^2	0.506	0.507	0.504	0.506	0.504	0.637	0.655
Firm FE	X	X	X	X	X	X	X
State-Year FE	X	X	X	X	X	X	X

Table VI
Firms in Neighboring DMAs with and without Sinclair Entry

This table reports the change in average CSR scores before and after Sinclair entry for firms in neighboring DMAs. The event year when Sinclair enters a DMA for a treated firm is used as the pseudo event year for control firms. For each treated firm, we choose control firms as those whose headquarters are within a 100-mile or 150-mile radius from the treated firm's headquarters. The DiD estimator shows the difference between treated and control firms in the change in average CSR ratings from before to after the event year. We present the findings for the overall CSR score and its three components. p-values appear in parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

	Treated After–Before (1)	Control After–Before (2)	DiD estimator (Treated–Control) (3)
Panel A: Within 100 miles (N=366)			
CSR	0.162**	0.359***	−0.198**
	(0.045)	(<0.000)	(0.032)
ENV	0.174***	0.293***	−0.119***
	(<0.000)	(<0.000)	(<0.000)
SOC	−0.154***	−0.153***	−0.001
	(<0.000)	(<0.000)	(0.277)
GOV	0.141**	0.219***	−0.078
	(0.021)	(<0.000)	(0.971)
Panel B: Within 150 miles (N=416)			
CSR	0.144**	0.457***	−0.313***
	(0.052)	(<0.000)	(0.000)
ENV	0.164***	0.288***	−0.125***
	(<0.000)	(<0.000)	(<0.000)
SOC	−0.141***	−0.105***	−0.036**
	(<0.000)	(<0.000)	(0.016)
GOV	0.121**	0.274***	−0.153
	(0.033)	(<0.000)	(0.152)

Table VII
Firms with Mostly Local vs. Non-Local Activities

This table reports estimation results for the baseline regression given by Equation (3) for two separate subsamples: firms with mostly local activities and firms with mostly non-local activities. Panel A presents the findings for the former group, and Panel B shows the findings for the latter group. Using data provided by Garcia and Norli (2012), firms with mostly local operations have more than 50% of their activities in the state where they are headquartered based on 10-K filings. Firms with mostly non-local operations conduct at least 50% of their activities outside of their headquarters state. The main variable of interest is the dummy variable *Sinclair TV*, which equals one if a firm's headquarters are located in a DMA with at least one Sinclair station, and zero otherwise. All explanatory variables are lagged by one year, except *Sinclair TV* which is lagged by three years. In column (1), the dependent variable is the overall CSR rating from the KLD database. In columns (2), (3), and (4), the dependent variables are the three subcategories of CSR, environmental (ENV), social (SOC), and governance ratings (GOV). In columns (6) and (7), the dependent variables are the two components of CSR ratings: strengths and concerns. Control variables are the same as those used in Table V, and include firm size, leverage, ROA, Tobin's Q, cash holdings, sales growth, advertising costs, and R&D expenses. Details on variable construction are provided in the Appendix. All specifications include firm fixed effects and the state-year interaction fixed effects. Standard errors are clustered at the DMA level. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

Panel A: Firms with Mostly Local Operations

	(1) CSR	(2) ENV	(3) SOC	(4) GOV	(5) Strengths	(6) Concerns
Sinclair TV	−0.477***	−0.138***	−0.194***	−0.146***	−0.245**	0.233***
	(−4.904)	(−3.046)	(−3.103)	(−3.908)	(−2.431)	(3.712)
Observations	9,591	9,591	9,591	9,591	9,591	9,591
Adjusted R^2	0.506	0.429	0.566	0.421	0.636	0.608
Controls	X	X	X	X	X	X
Firm FE	X	X	X	X	X	X
State-Year FE	X	X	X	X	X	X

Panel B: Firms with Mostly Non-Local Operations

	(1) CSR	(2) ENV	(3) SOC	(4) GOV	(5) Strengths	(6) Concerns
Sinclair TV	−0.287***	−0.117***	−0.041	−0.128***	−0.157**	0.131**
	(−3.027)	(−2.935)	(−0.522)	(−3.764)	(−2.119)	(1.997)
Observations	14,788	14,788	14,788	14,788	14,788	14,788
Adjusted R^2	0.516	0.439	0.535	0.380	0.646	0.670
Controls	X	X	X	X	X	X
Firm FE	X	X	X	X	X	X
State-Year FE	X	X	X	X	X	X

Table VIII
Stacked DiD

This table examines the relation between Sinclair entry and CSR ratings using the stacked DiD method in Gormley and Matsa (2011), which is described in Equation (4). We define treatment as Sinclair entering the DMA where the firm is located. For each year, we create a sample of observations that includes just the treated observations in a 10-year window around the event and set the "treated" variable equal to 1 for the post-event window. Then, for each year, we create a sample of control observations over the same period using any firm that was not treated in that year or a prior year. We also drop any control observations that become treated at a later point in time (e.g., if a control firm gets treated in year $t+1$, we then drop its $t+1$ and later observations from the sample.) Column (1) does not include firm controls, while column (2) does. Firm controls are size, leverage, ROA, Tobin's Q, cash holdings, sales growth, advertising costs, and R&D expenses. Details on variable construction are provided in the Appendix. All specifications include time-by-cohort and firm-by-cohort fixed effects. Standard errors are clustered at the DMA level. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

	(1)	(2)
Sinclair TV	−0.296***	−0.406***
	(−3.500)	(−4.620)
Observations	199,272	199,272
Adjusted R^2	0.430	0.433
Controls		X
Year-Cohort FE	X	X
Firm-Cohort FE	X	X

Table IX
Sinclair Presence and Change in Local Ideology

This table provides the estimation results for the regression specification given by Equation (5) in columnn (1), Equation (6) in column (2), and Equation (7) in column (3). The dependent variable in column (1) is *Environment Scale*, which we obtain from the CCES survey and which measures attitudes towards climate change. Its values range from one to five, where one means "climate change is a serious problem" and five means "climate change is not occurring." In column (2), the dependent variable is *Republican Share*, defined as the percentage of members on a county's legislative body associated with the Republican party. In column (3), the dependent variable is *Rep minus Dem*, the difference between a firm's total political contributions to congressional Republican and Democratic candidates in an election cycle. Column (1) includes county fixed effects, state-year fixed effects, and county-level controls. Column (2) includes county fixed effects, state-year fixed effects, and county-level controls. Column (3) includes firm fixed effects, state-year fixed effects, and firm-level controls. County controls are the percentage of the population older than 65, the percentage of population with college education or higher, the percentage of female population, the percentage of Hispanic population, and the percentage of African American population. Firm controls are size, leverage, ROA, Tobin's Q, cash holdings, sales growth, advertising costs, and R&D expenses. *Sinclair TV* is a dummy variable that equals one if a firm's headquarters are located in a DMA with at least one Sinclair station and zero otherwise, lagged by one year. Details on variable construction are provided in the Appendix. Standard errors are clustered at the DMA level. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

	(1) Environment Scale	(2) Republican Share	(3) Rep minus Dem
Sinclair TV	0.104** (2.084)	0.047** (2.479)	7043.330* (1.912)
Observations	12,306	2,893	14,949
Adjusted R^2	0.201	0.792	0.145
Controls	X	X	X
County FE	X	X	
Firm FE			X
State-Year FE	X	X	X

Table X
Sinclair Presence and Reduction in Local Coverage

This table shows the results of cross-sectional tests, in which we augment the baseline model in Equation (3) with an interaction term that includes the *Sinclair TV* dummy variable. In column (1), we interact *Sinclair TV* with *Advertising Costs*, a dummy variable equal to one if annual advertising expenditure (divided by total assets) is above the sample median. In column (2), we interact *Sinclair TV* with *Sin Industries*, a dummy variable indicating whether the firm belongs to tobacco, alcohol, or gambling industries. In column (3), we interact *Sinclair TV* with *Low IOR*, a dummy variable equal to one if institutional ownership is less than the sample median. In column (4), we interact *Sinclair TV* with *High % of Sinclair TV*, a dummy variable equal to one if Sinclair TV stations represent at least 50% of all TV stations in a DMA. Firm controls are size, leverage, ROA, Tobin's Q, cash holdings, sales growth, advertising costs, and R&D expenses. All explanatory variables are lagged by one year, except *Sinclair TV* which is lagged by three years. Details on variable construction are provided in the Appendix. All specifications include firm fixed effects and the state-year interaction fixed effects. Standard errors are clustered at the DMA level. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

	(1)	(2)	(3)	(4)
Interacted Variable:	*Advertising Costs*	*Sin Industries*	*Low Institutional Ownership*	*High % of Sinclair TV*
Sinclair TV	−0.323***	−0.321***	−0.323**	−0.308***
	(−4.181)	(−4.152)	(−3.817)	(−3.944)
Sinclair TV × Interacted Var	−0.158**	−1.649**	−0.282**	−0.779***
	(−2.508)	(−6.382)	(−2.452)	(−6.596)
Observations	25,631	25,631	22,619	25,631
Adjusted R^2	0.506	0.506	0.512	0.506
Firm Controls	X	X	X	X
Firm FE	X	X	X	X
State-Year FE	X	X	X	X

Table XI
Firm Outcomes

This table examines the effect of Sinclair entry on firm outcomes. The outcome variable in Panel A is the number of corporate misconduct violations committed by all firms located within a given DMA in a specific state during a particular year (i.e., we aggregate violations at the DMA-state level), using data obtained from Violation Tracker. The dependent variable in column (1) is the total number of violations, in column (2) the number of CSR-related violations, in column (3) environmental violations, in column (4) workplace violations, and in column (5) employment-related violations. In Panel B, the outcome variable is facility-level annual toxic chemical emissions (measured in thousands of pounds), which can occur on-site or off-site. The data comes from EPA's Toxic Release Inventory. We align each plant's location with its respective DMA to estimate the impact of Sinclair presence. Details on variable construction are provided in the Appendix. In both panels, standard errors are clustered at the DMA level. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

Panel A: Number of Violations

	(1) *All Violations*	(2) *All CSR Violations*	(3) *Environmental Violations*	(4) *Workplace Violations*	(5) *Employment Violations*
Sinclair TV	0.936**	0.927**	0.147	0.468*	0.312***
	(2.307)	(2.349)	(1.531)	(1.820)	(3.181)
Observations	6,993	6,993	6,993	6,993	6,993
Adjusted R^2	0.534	0.533	0.394	0.487	0.447
DMA FE	X	X	X	X	X
State-Year FE	X	X	X	X	X

Panel B: Toxic Release

	(1) *Total Release*	(2) *On-Site Release*	(3) *Off-Site Release*
Sinclair TV	44.318*	10.900	33.418***
	(1.690)	(0.505)	(2.996)
Observations	98,081	98,081	98,081
Adjusted R^2	0.229	0.229	0.191
Parent company FE	X	X	X
State-Year FE	X	X	X

Table XII
Robustness Tests: Alternative Approaches

This table examines the robustness of our results when we estimate the relation between Sinclair presence and CSR ratings using alternative measures or specifications. The dependent variable in all panels is the CSR rating. Firm controls include size, leverage, ROA, Tobin's Q, cash holdings, sales growth, advertising costs, and R&D expenses. Panel A shows the regression results when we use alternative measures for Sinclair exposure. *Sinclair TV #* is the number of Sinclair TV stations in the DMA where the firm is headquartered. *Sinclair Average Exposure* is the average number of Sinclair TV stations in a DMA per year, computed since 1996 until the current year. *Sinclair Years Presence* is the number of years since Sinclair first entered a DMA. All three exposure measures are lagged by three years. Panel B presents the results with different methods of clustering standard errors, including by year, DMA-year, county, and double clustering by DMA and year. Panel C shows the regression results when the specification includes industry-year interaction fixed effects. Industries are defined by SIC 2-digit codes. Panel D adds the controls for county-level characteristics. Panel E adds the controls for CEO characteristics: age, gender, and total compensation, obtained from the ExecuComp database. Details on variable construction are provided in the Appendix. Fixed effects used in the regression models vary across panels and specifications, and are reported at the bottom of each column. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

Panel A: Alternative Sinclair Exposure Measures

	(1)	(2)	(3)
Sinclair TV #	−0.129***		
	(−2.948)		
Sinclair Ave. Exposure		−0.153***	
		(−2.998)	
Sinclair Years Presence			−0.023***
			(−3.356)
Observations	25,631	25,631	25,631
Adjusted R^2	0.506	0.506	0.506
Firm Controls	X	X	X
Firm FE	X	X	X
State-Year FE	X	X	X

Panel B: Alternative Clustering Methods

	(1)	(2)	(3)	(4)	(5)
Sinclair TV	−0.322***	−0.322***	−0.322***	−0.322***	−0.322***
	(−4.169)	(−3.779)	(−5.903)	(−3.990)	(−3.233)
Observations	25,631	25,631	25,631	25,631	25,631
Adjusted R^2	0.507	0.506	0.506	0.506	0.506
Firm Controls	X	X	X	X	X
Firm FE	X	X	X	X	X
State-Year FE	X	X	X	X	X
Cluster by DMA	X				
Cluster by Year		X			
Cluster by DMA-year			X		
Cluster by County				X	
Cluster by DMA and Year					X

Panel C: Industry-by-Year Fixed Effects

	(1)	(2)
Sinclair TV	−0.326***	−0.273***
	(−4.152)	(−3.680)
Observations	25,650	25,631
Adjusted R^2	0.524	0.525
Firm Controls	X	X
Firm FE	X	X
State-Year FE		X
Industry-Year FE	X	X

Panel D: Controlling for County-Level Characteristics

	(1)	(2)
Sinclair TV	−0.356***	−0.346***
	(−3.693)	(−3.563)
Unemployment Rate	−0.623	−0.651
	(−0.163)	(−0.168)
% Republican Votes	1.003	1.039
	(1.052)	(1.115)
% College or Higher Education	−2.015	−2.112
	(−1.121)	(−1.172)
% Female	19.546	19.819
	(1.448)	(1.463)
Log of Total Population	−1.458**	−1.403**
	(−2.077)	(−2.015)
% Population above 65 Years Old	−3.350	−3.650
	(−0.618)	(−0.660)
% Hispanic	4.907	4.813
	(0.968)	(0.953)
% African American	0.752	0.394
	(0.222)	(0.117)
Observations	20,560	20,560
Adjusted R^2	0.525	0.526
Firm Controls		X
Firm FE	X	X
State-Year FE	X	X

Panel E: Controlling for CEO Characteristics

	(1)	(2)
Sinclair TV	−0.295***	−0.293***
	(−3.044)	(−2.981)
CEO: Age	−0.005	−0.005
	(−1.232)	(−1.264)
CEO: Male	−0.385	−0.381
	(−1.512)	(−1.523)
CEO: Total Compensation	−0.097***	−0.101***
	(−3.651)	(−3.607)
Observations	18,185	18,185
Adjusted R^2	0.516	0.447
Firm Controls		X
Firm FE	X	X
State-Year FE	X	X

Table XIII
Robustness Tests: Alternative Samples

This table examines the robustness of our results when we estimate the relation between Sinclair presence and CSR ratings using alternative subsamples. The dependent variable in all panels is the CSR rating. Firm controls include size, leverage, ROA, Tobin's Q, cash holdings, sales growth, advertising costs, and R&D expenses. In Panel A, we split the sample period into two halves, 1996−2006 and 2007−2016. In Panel B, we drop observations with very high (top 10% and 20% of the sample distribution) and very low (bottom 10% and 20% of the sample distribution) CSR ratings. In Panel C, we exclude observations for very large (top 5% and 10% of the sample distribution) and very small (bottom 5% and 10% of the sample distribution) firms, based on their total assets. In Panel D, we drop observations for the most Democratic or Republican counties based on the results of the previous presidential election. Details on variable construction are provided in the Appendix. All specifications include firm fixed effects and the state-year interaction fixed effects. Standard errors are clustered at the DMA level. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

Panel A: Sub-Period Analysis

	(1) 1996–2006	(2) 2007–2016
Sinclair TV	−0.342*** (−2.411)	−0.265*** (−2.137)
Observations	7,252	18,202
Adjusted R^2	0.722	0.535
Firm Controls	X	X
Firm FE	X	X
State-Year FE	X	X

Panel B: Dropping Observations with High or Low CSR Ratings

	(1) Drop Top 10%	(2) Drop Top 20%	(3) Drop Bottom 10%	(4) Drop Bottom 20%	(5) Drop Top 10% & Bottom 10%
Sinclair TV	−0.189*** (−2.791)	−0.198*** (−3.064)	−0.233*** (−3.968)	−0.189*** (−3.135)	−0.114*** (−2.256)
Observations	23,042	21,237	22,795	19,511	20,211
Adjusted R^2	0.479	0.485	0.489	0.488	0.374
Firm Controls	X	X	X	X	X
Firm FE	X	X	X	X	X
State-Year FE	X	X	X	X	X

Panel C: Dropping Large or Small Firms

	(1) Drop Top 5%	(2) Drop Bottom 5%	(3) Drop Top 10%	(4) Drop Bottom 10%	(5) Drop Top 5% & Bottom 5%	(6) Drop Top 10% & Bottom 10%
Sinclair TV	−0.275***	−0.325***	−0.233***	−0.320***	−0.266***	−0.217***
	(−3.606)	(−4.303)	(−2.785)	(−4.037)	(−3.473)	(−2.430)
Observations	23,943	24,582	22,576	23,376	22,896	20,334
Adjusted R^2	0.507	0.506	0.523	0.508	0.507	0.526
Firm Controls	X	X	X	X	X	X
Firm FE	X	X	X	X	X	X
State-Year FE	X	X	X	X	X	X

Panel D: Dropping Observations in the Top Democratic or Republican Counties

	(1) Drop Top 5% of Republican Counties	(2) Drop Top 5% of Democratic Counties	(3) Drop Top 10% of Republican Counties	(4) Drop Top 10% of Democratic Counties
Sinclair TV	−0.311***	−0.288***	−0.328***	−0.284***
	(−3.401)	(−3.899)	(−3.275)	(−3.807)
Observations	23,419	24,025	22,201	23,147
Adjusted R^2	0.507	0.505	0.506	0.504
Firm Controls	X	X	X	X
Firm FE	X	X	X	X
State-Year FE	X	X	X	X

Table XIV
Robustness Tests: Alternative CSR Measure

This tables provides estimation results for the baseline regression given by Equation (3) using the alternative CSR Measure *RE CSR* provided by Refinitiv. The principal variable of interest is the dummy variable *Sinclair TV*, which equals one if a firm's headquarters are located in a DMA with at least one Sinclair station and zero otherwise. All explanatory variables are lagged by one year, except *Sinclair TV*, which is lagged by three years. In column (1), the dependent variable is the overall CSR rating from the Refinitiv database. In columns (2), (3), and (4), the dependent variables are the three subcategories of CSR, environmental (ENV), social (SOC), and governance ratings (GOV). All specifications include firm fixed effects and state-year fixed effects. Standard errors are clustered at the DMA level. t-statistics appear in the parentheses below coefficient estimates. *, **, and *** indicate significance at the 0.1, 0.05, and 0.01 levels, respectively.

Dependent Variable	(1) RE CSR	(2) RE ENV	(3) RE SOC	(4) RE GOV
Sinclair TV	-8.978*	-4.205*	-2.730*	-1.929
	(-1.815)	(-1.934)	(-1.710)	(-0.672)
Size	5.283**	3.813***	3.484***	-2.180**
	(2.449)	(3.342)	(4.681)	(-2.002)
Leverage	7.936	-1.315	4.401	5.058
	(1.124)	(-0.377)	(1.575)	(1.299)
ROA	9.118	2.088	13.018**	-4.949
	(0.623)	(0.318)	(2.111)	(-0.620)
Tobin's Q	2.061*	1.034*	1.687***	-0.665
	(1.849)	(1.866)	(4.081)	(-1.327)
cash Holding	10.803	1.038	-0.646	9.957
	(0.687)	(0.170)	(-0.121)	(1.188)
Sales Growth	-0.270	-0.301	2.687***	-2.664**
	(-0.148)	(-0.277)	(3.135)	(-2.016)
Advertising Costs	43.865	22.247	29.124	-3.363
	(0.453)	(0.583)	(0.518)	(-0.107)
R&D	-39.705	-22.648	-22.193	4.674
	(-0.543)	(-0.655)	(-1.427)	(0.132)
Observations	6,149	6,149	6,149	6,149
Adjusted R^2	0.772	0.759	0.722	0.582
Firm FE	X	X	X	X
State-Year FE	X	X	X	X

Online Appendix

Table A.1
Number of Stocks Covered in Six CSR Data Vendors

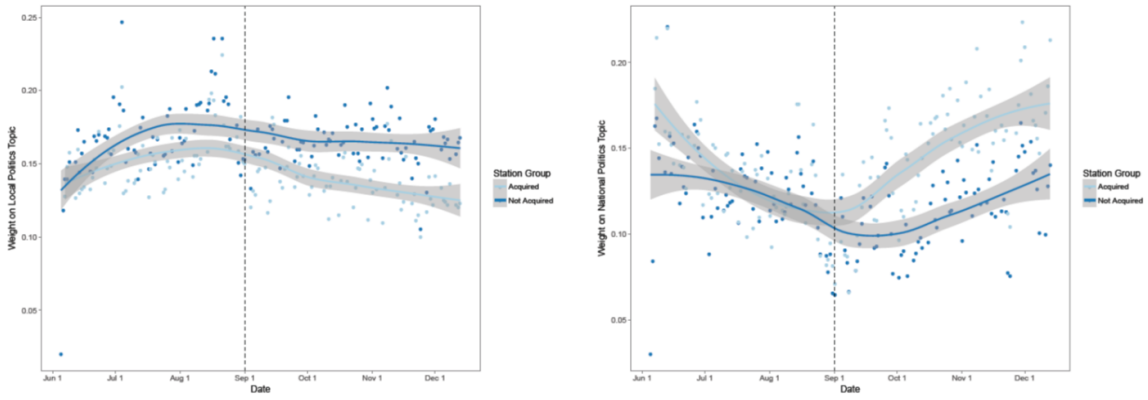
This table is from Panel A of Table B.1 in the Online Appendix provided by Avramov et al. (2022). It reports the number of stocks covered by each data vendor on a year-by-year basis.

Panel A: Number of stocks covered by each data vendor

Year	Asset4	MSCI KLD	MSCI IVA	Bloomberg	Sustainalytics	RobecoSAM
2002	398	1,055	0	0	0	0
2003	400	2,805	0	0	0	0
2004	535	2,851	0	0	0	0
2005	600	2,687	0	125	0	0
2006	606	2,655	528	209	0	0
2007	620	2,566	609	709	0	0
2008	789	2,580	600	984	0	0
2009	892	2,598	599	1,065	0	0
2010	915	2,630	551	1,957	0	0
2011	912	2,472	537	2,077	0	0
2012	895	2,418	2,253	2,149	0	0
2013	890	2,125	2,388	2,242	0	0
2014	885	2,098	2,328	2,380	413	0
2015	1,436	2,124	2,282	2,514	441	0
2016	2,083	0	2,255	2,530	460	419
2017	2,218	0	2,139	2,658	452	616
2018	2,178	0	2,104	2,794	473	818

Figure A.1
Trends in Coverage, Slant, and Viewership after Sinclair Acquisition of TV Stations

This figure is from Martin and McCrain (2019, p. 376) and depicts the decline in coverage of local issues (Panel a), increase in the coverage of national news (Panel b), increase in ideological slant (Panel c), and reduction in viewership (Panel d) of local TV stations acquired by Sinclair Media compared to those not acquired by Sinclair Media. Data used include only stations that were located in DMAs in which Sinclair Media acquired at least one station in 2017. Points depict daily averages across different stations. The dotted vertical line is the date of acquisition. Darker lines and dots are stations that were acquired by Sinclair.



(a) Local Topic

(b) National Topic

(c) Slant

(d) Ratings