APPENDIX A

In this appendix, we provide additional descriptions of our sample construction as well as the variables in our models. We also provide a visualized example of our effects.

Sample Construction

There are two primary components of our sample: (1) corporate sociopolitical acts made by publicly-traded *Fortune 500* firms (from 2015-2019) and (2) news coverage from the media.

Identifying corporate sociopolitical activism. Each sociopolitical action taken by a firm counts as one "event" in our sample. To identify events classified as sociopolitical, we used the Pew Research Center's list of sociopolitical issues (from 2014). This list includes 36 issues as shown in Table A1 below. (Bhagwat et al. [2020] also use this list.) We searched ProQuest for each firm-issue combination and saved any firm-issue combinations that had search results. We took three additional steps to identify events. First, since we are unable to verify the completeness of ProQuest's newswire sources, and since ProQuest does not include other modes of firm communication (i.e., website announcements and tweets), two research assistants conducted manual searches of each firm-issue combination using Google and X (formerly Twitter). Second, we read press releases of identified events for mentions of other firms' involvement. Third, we included events mentioned or studied in prior literature on corporate sociopolitical activism (e.g., Bhagwat et al. 2020; Wowak et al. 2022).

Two raters confirmed whether each event should be classified as CSA, and, if so, confirmed the event's date. To evaluate and remove such events, two trained raters compiled a brief description of each event and recorded whether the event should be classified as CSA based on the following criteria. First, the event must relate to a specific action tied to the focal sociopolitical issue. Second, if the action referred to the primary operations of the firm, as opposed to the firm taking a stance on an issue, the event was discarded. Finally, we removed events when both raters agreed it was not contentious along party lines. The raters had strong agreement ($\alpha = 0.910$). This resulted in identifying 59 unique instances of corporate sociopolitical activism.

Table A1. List of Sociopolitical Issues from Pew Research Center

Abortion	LGBT
Bathroom Bill	LGBTQ
Black Lives Matter	Marriage Equality
BLM	Mass Shooting
Border Security	Minimum Wage
Censorship	North Carolina HB2
Climate Change	NSA Data Collection
Confederate Flag	NSA Tracking
Confederate Statue	Planned Parenthood
Environmental Regulations	Police Brutality
Equal Pay	Pride Month
Equality Act	Pride Week
Gender Equality	Racial Discrimination
Georgia House Bill 757	Refugees Employment
Gun Control	Religious Freedom Act
Illegal Immigrants	Second Amendment
Immigration Enforcement	Sexual Discrimination Bill
Immigration Reform	Women Equality

Collecting news coverage. To get a representative sample of news coverage, we collected articles from 57 media outlets. These outlets vary in terms of their scope, size, relative emphasis on business, and primary distribution (TV/digital, print, magazine, etc.). We also sampled news outlets that varied along their political bias, as measured by Ad Fontes's Media Bias Chart (which is the source of our *media*

conservatism variable). A list of these outlets can be found in Table A2 below. We collected all news stories published by these outlets from the years 2014 to 2019 (the end of our sample's time period). As mentioned in the manuscript, news stories were collected by several means. Structured databases such as Factiva do not have complete coverage of many focal media outlets. To complement Factiva, we used two application programming interfaces (APIs), one maintained by Media Cloud and one maintained by Webhose (also known as "News API"). Both of these sources crawl various media outlets on a regular basis and store data on media coverage (in the case of Webhose) or at least provide URLs to the news stories (in the case of Media Cloud). We retrieved the structured data from Webhose and used the URLs provided by Media Cloud to scrape the contents of the URLs. For four outlets, news stories were archived in a systematic and accessible way, allowing us to write custom scrapers (New York Times, Wall Street Journal, ABC News, and Los Angeles Times). This allowed us to obtain reliable coverage going back to 2014. Prior to this year, coverage was less reliably obtainable from web scrapers and APIs.

Table A2. Media Outlets.

Outlet Name	Media conservatism[a]	Outlet Name	Media conservatism[a]
ABC News	-4.6	Pittsburgh Post-Gazette	-0.5
Atlanta Journal-Constitution	-2.9	Politico	-8
Axios	-5.8	Real Clear Politics	13.1
Bloomberg	5.8	Reason	8.4
Business Insider	-3	San Francisco Chronicle	-6.3
BuzzFeed News	-9	San Jose Mercury News	-2.5
CBN	16.5	Slate	-17
Chicago Tribune	-1.3	South Florida Sun-Sentinel	-1.6
Christian Science Monitor	-1	Tampa Bay Times	-5.4
CNBC	-3.1	The American Conservative	3
CNN	-12.2	The American Spectator	25.7
Daily Beast	-19.3	The Atlantic	-19.7
Daily Wire	18.6	The Baltimore Sun	-5
Dallas Morning News	-2.8	The Blaze	15
Denver Post	-1.8	The Boston Globe	-7.3
Forbes	-3.1	The Economist	-2
Fox News	17.2	The Epoch Times	22.8
Hartford Courant	-2.2	The Federalist	22.9
HuffPost	-13.8	The Hill	-0.9
Los Angeles Daily News	1.5	The Nation	-19.4
Los Angeles Times	-7.6	The New York Times	-8.7
MarketWatch	-6.1	The Seattle Times	-1.6
National Review	17.6	The Wall Street Journal	5
New York Post	14.2	The Washington Post	-8.7
Newsmax	18.6	The Washington Times	16.1
Newsweek	-13	TIME	-10.2
NPR	-4.6	USA Today	-5
One America News Network	20.2	Vox	-11.9
Orlando Sentinel	-4.7		

[a]*Media conservatism is scored by Ad Fontes's Media Bias Chart (MBC) which ranges from -42 (least conservative) to 42 (most conservative). To rate an outlet, three analysts with differing degrees of self-reported political ideologies independently read and rate articles published within the outlet. The scores are then averaged together to produce an overall outlet rating. For any given article, additional raters are involved to resolve outliers.*

Variables

First, in Tables A3 and A4 we summarize the variables for Stage 1 (Table A3) and Stage 2 (Table A4). Second, we provide more details on measuring CSA acceptance, which is used as a control variable in testing the second stage of our framework as well as in a supplemental analysis.

TABLE A3. Stage 1 Variables.

Variable	Role	Measurement Description
CSA covered	Dependent variable	Binary indicator equal to 1 if the news outlet included the corporate sociopolitical act (CSA) in at least one published news story within 3 days of the initial event, and 0 otherwise.
Media–event congruence	Independent variable	The ideological alignment between a news outlet's political orientation and the political valence of the CSA event. Computed as the absolute value of the difference between standardized media conservatism (from Ad Fontes Media's Media Bias Chart) and standardized CSA conservatism (from primary data collected via a nationally representative Prolific survey), multiplied by -1 so that higher values indicate greater congruence.
Direction of incongruence	Control	Binary variable equal to 0 when the outlet's political bias rating is more liberal than the CSA's political stance (i.e., the outlet is to the left of the event), and 1 when the outlet's political bias rating is more conservative than the CSA's political stance (i.e., the outlet is to the right of the event).
Endowed media coverage	Control	The sentiment of all news stories published by the outlet about the focal firm from t-368 to t-3 (where t is the CSA event date). Uses coreference resolution to isolate sentences specifically about the focal firm within articles that may mention multiple entities. Measured as the weighted average sentiment: total sentiment score divided by the number of sentences.
Firm size	Control	Logged value of total assets reported in the fiscal quarter immediately prior to the CSA event.
Firm performance	Control	Logged value of net income in the fiscal quarter immediately prior to the CSA event.
Outlet size	Control	The total number of news stories published by the outlet in the 365 days prior to the focal CSA event (specifically, the [t-368, t-3] window), measured in 10,000s.
Outlet sentiment	Control	The weighted average sentiment of all articles published by each outlet in the 365 days prior to the focal CSA event (the [t-368, t-3] window). Measured using Stanford CoreNLP's sentence-based sentiment classifier.
Organizational conservatism	Control	Donation-based measure of the focal firm's political ideology from Mannor and Busenbark (2025). Constructed from the ten most recent years of employee political donations to candidates and PACs. Computed as the inverse of the employee liberalism score (multiplied by -1) so that higher values indicate more conservative organizational ideology.
Investor reactions [0, 1]	Control	Cumulative abnormal returns (CARs) of the focal firm's stock over the [0, 1] trading-day window surrounding the CSA event (day of and day following). Abnormal returns computed using a market model estimated over a pre-event window, as prescribed in Flammer (2015).
Legacy outlet	Control	Binary indicator equal to 1 if the news outlet entered the industry through traditional distribution channels (i.e., TV, print newspaper, magazine) and 0 if the news outlet is a digital native.
CEO	Control	Binary indicator equal to 1 if the CSA was made by the firm's CEO, and 0 if by another firm representative (e.g., a spokesperson or other executive).
Action	Control	Binary indicator equal to 1 if the CSA was a concrete action (e.g., a policy change, donation, or organizational decision), and 0 if the CSA was a verbal statement (e.g., a public comment or press release).
Sociopolitical issue category	Control	Categorical variable classifying each CSA event into its sociopolitical issue domain (e.g., immigration, LGBTQ+ rights, gun policy, climate/environment, racial justice).

Note: These variables are used to test Stage 1 of the model using a probit function. Firm fixed effects and firm-clustered standard errors are included in this model.

TABLE A4. Stage 2 Variables.

Variable	Role	Measurement Description
Sentiment of coverage	Dependent variable	The weighted average sentiment of CSA news stories published by the outlet within 3 days of the event. Measured using Stanford CoreNLP's sentence-based deep learning sentiment classifier, which assigns each sentence an integer score from 0 ("very negative") to 2 ("very positive"). Computed as the sum of sentence-level sentiment scores across all articles about the CSA divided by the total number of sentences. Only defined for outlet-event pairs where coverage occurred (covered = 1).
Media–event congruence	Independent variable	The ideological alignment between a news outlet's political orientation and the political valence of the CSA event. Computed as the absolute value of the difference between standardized media conservatism (from Ad Fontes Media's Media Bias Chart) and standardized CSA conservatism (from primary data collected via a nationally representative Prolific survey), multiplied by -1 so that higher values indicate greater congruence.
CSA acceptance	Control	The expected favorability of each outlet's audience toward corporate sociopolitical activism in general. Developed through a two-stage process: (1) a pilot study (n = 253) validating a 6-item CSA acceptance scale (α = 0.94), with items such as "For-profit corporations should engage in social and political activism" rated on 1-7 Likert scales; (2) a nationally representative Prolific survey (n = 295) where respondents' conservatism was measured via Everett's (2013) Social and Economic Conservatism Scale (SECS). Respondents were bucketed into conservatism deciles, and the average CSA acceptance within each decile was mapped to media outlets whose MBC rating falls within the corresponding conservatism range. Higher values indicate the outlet's audience is more favorable toward CSA. Details found below and in Table A5.
Direction of incongruence	Control	Binary variable equal to 0 when the outlet's political bias rating is more liberal than the CSA's political stance (i.e., the outlet is to the left of the event), and 1 when the outlet's political bias rating is more conservative than the CSA's political stance (i.e., the outlet is to the right of the event).
Endowed media coverage	Control	The sentiment of all news stories published by the outlet about the focal firm from t-368 to t-3 (where t is the CSA event date). Uses coreference resolution to isolate sentences specifically about the focal firm within articles that may mention multiple entities. Measured as the weighted average sentiment: total sentiment score divided by the number of sentences.
Firm size	Control	Logged value of total assets reported in the fiscal quarter immediately prior to the CSA event.
Firm performance	Control	Logged value of net income in the fiscal quarter immediately prior to the CSA event.
Outlet size	Control	The total number of news stories published by the outlet in the 365 days prior to the focal CSA event (specifically, the [t-368, t-3] window), measured in 10,000s.
Outlet sentiment	Control	The weighted average sentiment of all articles published by each outlet in the 365 days prior to the focal CSA event (the [t-368, t-3] window). Measured using Stanford CoreNLP's sentence-based sentiment classifier.
Organizational conservatism	Control	Donation-based measure of the focal firm's political ideology from Mannor and Busenbark (2025). Constructed from the ten most recent years of employee political donations to candidates and PACs. Computed as the inverse of the employee liberalism score (multiplied by -1) so that higher values indicate more conservative organizational ideology.
Investor reactions [0, 1]	Control	Cumulative abnormal returns (CARs) of the focal firm's stock over the [0, 1] trading-day window surrounding the CSA event (day of and day following). Abnormal returns computed using a market model estimated over a pre-event window, as prescribed in Flammer (2015).
Legacy outlet	Control	Binary indicator equal to 1 if the news outlet entered the industry through traditional distribution channels (i.e., TV, print newspaper, magazine) and 0 if the news outlet is a digital native.
CEO	Control	Binary indicator equal to 1 if the CSA was made by the firm's CEO, and 0 if by another firm representative (e.g., a spokesperson or other executive).
Action	Control	Binary indicator equal to 1 if the CSA was a concrete action (e.g., a policy change, donation, or organizational decision), and 0 if the CSA was a verbal statement (e.g., a public comment or press release).
Sociopolitical issue category	Control	Categorical variable classifying each CSA event into its sociopolitical issue domain (e.g., immigration, LGBTQ+ rights, gun policy, climate/environment, racial justice).

Note: These variables are used to test Stage 2 of the model using a linear function (OLS; Heckman). Firm fixed effects and firm-clustered standard errors are included in this model.

Measuring CSA acceptance. This measure is used to capture ideological differences in audiences' perceptions of CSA for reasons that are not tied specifically to one's ideology, but to the underlying firm behavior. For instance, could it be that conservative media exhibit unfavorable coverage of conservative corporate activism because their audiences perceive corporate activism as generally inappropriate, regardless of ideological alignment? This raises the question of whether audiences with different political leanings are equally receptive to CSA, even when it aligns with their ideological views. We thus needed to devise a way to separate target audiences' acceptance of CSA from news outlets' general political biases, recognizing that the two may be correlated. To be clear, our aim with this control variable is to capture the degree to which news outlets' target audiences (which fall along the political spectrum) have different perceptions of CSA, under the assumption that news outlets would reasonably alter their evaluative tone based on those perceptions.

Capturing CSA acceptance can be tricky, since audiences' perceptions of CSA might be correlated with their ideologies. This influenced our approach to measuring this construct in two ways. First, we had to identify a way to measure audiences' acceptance of corporate sociopolitical activism. To achieve this, we focused on assessing audiences' perceptions of corporate involvement in sociopolitical affairs in a general sense, rather than their reactions to a specific, politically-oriented sociopolitical act. This approach helps capture a baseline level of the acceptance for CSA among a certain target audience without their ideology anchoring the response, providing a more unbiased understanding of their attitudes towards CSA. Second, given the media may attempt to reflect the attitudes of their target audiences (i.e., right-leaning outlets target right-leaning audiences; Budak et al. 2016; Elejalde et al. 2019), we developed a method to categorize audiences' perceptions based on their political ideologies and map these onto news outlets' political biases. This mapping allows us to predict variation in how an event might be covered across outlets with differing ideological orientations, depending on the preferences of their target audiences. In other words, by assessing the acceptance of CSA among distinct ideological groups and linking that acceptance to news outlets who cater to those ideological groups, we can better gauge the ideological heterogeneities in a news outlet's audience's favorable (versus oppositional) attitudes towards CSA. This distinction enables us to account for audiences' acceptance of CSA beyond what their political ideologies alone might suggest. From here, we are able to establish expectations along the political ideology spectrum, allowing us to appropriately capture audiences' acceptance of CSA along the ideological spectrum. Then, we can examine whether there is a relationship between the coverage that would be expected based on audiences' acceptance of CSA and how news outlets actually covered the focal event (i.e., *sentiment of coverage*, the dependent variable).

Based on the above complexities, we took three steps to arrive at a measure of *CSA acceptance*. First, we developed and validated a scale of audiences' acceptance of CSA. To do so, we conducted a pilot study with 253 respondents at a large public university in the southeastern United States. Respondents were provided information about CSA and items that broadly corresponded to the degree to which companies should engage in sociopolitical activism (e.g., "For-profit corporations should engage in social and political activism"). While the initial list included 7 items, a confirmatory factor analysis confirmed that six of the items were a good fit for a single factor ($\chi 2$ (9) = 129.71, CFI = 0.93, SRMR = 0.05). A list of the items ($\alpha = 0.94$) is provided in Table A5.[1] Our measure of *CSA acceptance* is the average of all six items of the scale. The pilot study's only purpose was to validate the scale.

Second, we included the scale in a separate, nationally representative survey conducted through Prolific (n = 295). Respondents were given information about corporate sociopolitical activism and were asked to provide their perceptions of whether firms should engage in it. We also collected respondents' personal political ideologies using Everett's (2013) social and economic conservatism scales (SECS). The

[1] The pilot study included 12 additional items pertaining to (1) perceptions of the degree to which CSA was financially motivated or societally-motivated and (2) perceptions of the degree to which firms can influence sociopolitical issues. A confirmatory factor analysis identified these items as belonging to three distinct factors. These items helped establish divergent validity. The focus of this measure, however, is on audiences' prescriptions of CSA (i.e., whether they believe firms should engage in CSA). Accordingly, we have omitted the other two factors.

SECS evaluates various components of political ideology that, together, represent a respondent's overall conservatism.[2] We used the SECS to measure *audience conservatism*. Our respondents represented a wide range of the conservatism-liberalism axis (among other factors), suggesting the sample is reflective of a broader American public. For instance, the average respondent was 38 years old (SD = 14.35), 48.8% of respondents were women, and 52.9% achieved at least a Bachelor's degree. We also captured household income using tax brackets. The modal household income fell between 40 and 90 thousand USD (38%), with 24.4% of respondents earning more and 37.6% earning less.

Finally, we categorized respondents into news outlets' target audiences based on *media conservatism* and *audience conservatism*. For example, highly conservative news outlets are assumed to be targeting highly conservative audiences. As a reminder, our measure should represent the degree to which audiences perceive CSA favorably. Given news outlets cater to target audiences, the less favorably a given audience views CSA (i.e., the less CSA acceptance), the less favorably the news outlet will cover the event. Accordingly, the measure among highly conservative news outlets corresponds to the audience acceptance of CSA among the highly conservative respondents in our sample. This allows us to account for the political ideologies of our respondents while retaining the ability to discern audiences' acceptance of the underlying behavior.

Since these measures were derived on different scales, we bucketed *media conservatism* and *audience conservatism* into deciles. We calculated *CSA acceptance* by taking the average respondent sentiment of coverage score from each decile of audience conservatism and applying it to the corresponding decile of our media conservatism variable. For example, the most conservative 10 percent of respondents' average favorability score was the expected favorability of CSA for the most conservative 10 percent of news outlets. Broadly, we found that left- and right-leaning respondents differed in their acceptance of CSA. Respondents above the median audience conservatism had an average *CSA acceptance* of 3.54 (slightly negative), while respondents below the median had an average *CSA acceptance* of 4.17 (neutral). The differences were driven by those at the higher levels of audience conservatism. For example, respondents from the 90th to 99th percentile of audience conservatism had an average acceptance of CSA of 2.28 (negative), while respondents from the 1st to 10th percentile of audience conservatism had an average acceptance of 4.05 (neutral).

Using our approach to measure CSA acceptance, we accomplish the tasks of (a) determining whether audiences with different political leanings are equally receptive to CSA and (b) devising a way to separate target audiences' acceptance of CSA from news outlets' general political biases, ultimately helping us discern between one's political ideology and one's assessment of the underlying firm behavior.

TABLE A5. Validated Scale Used for CSA Acceptance

Acceptance	Rating (Likert)	Item
Should companies engage in CSA ($\alpha = 0.94$)	1 = strongly disagree, 7 = strongly agree	• For-profit corporations should engage in social and political activism. • For-profit corporations should always be involved in social and political issues. • It is important that for-profit corporations engage in social and political activism. • I feel better about a for-profit corporation when it engages in social and political activism. • For-profit corporations should not care about social or political issues. (Reverse-coded) • For-profit corporations should stay out of society's social and political issues. (Reverse-coded)

[2] We also measured political ideology using a single-item, 6-point Likert scale (1 = strongly liberal, 6 = strongly conservative). The measures are highly correlated ($r = 0.71$).

Figure A1. Symantec –National Rifle Association and Gun Control (CSA conservatism = 2.43/7 [Left-Leaning]; Stage 1 = Left, Stage 2 = Right)

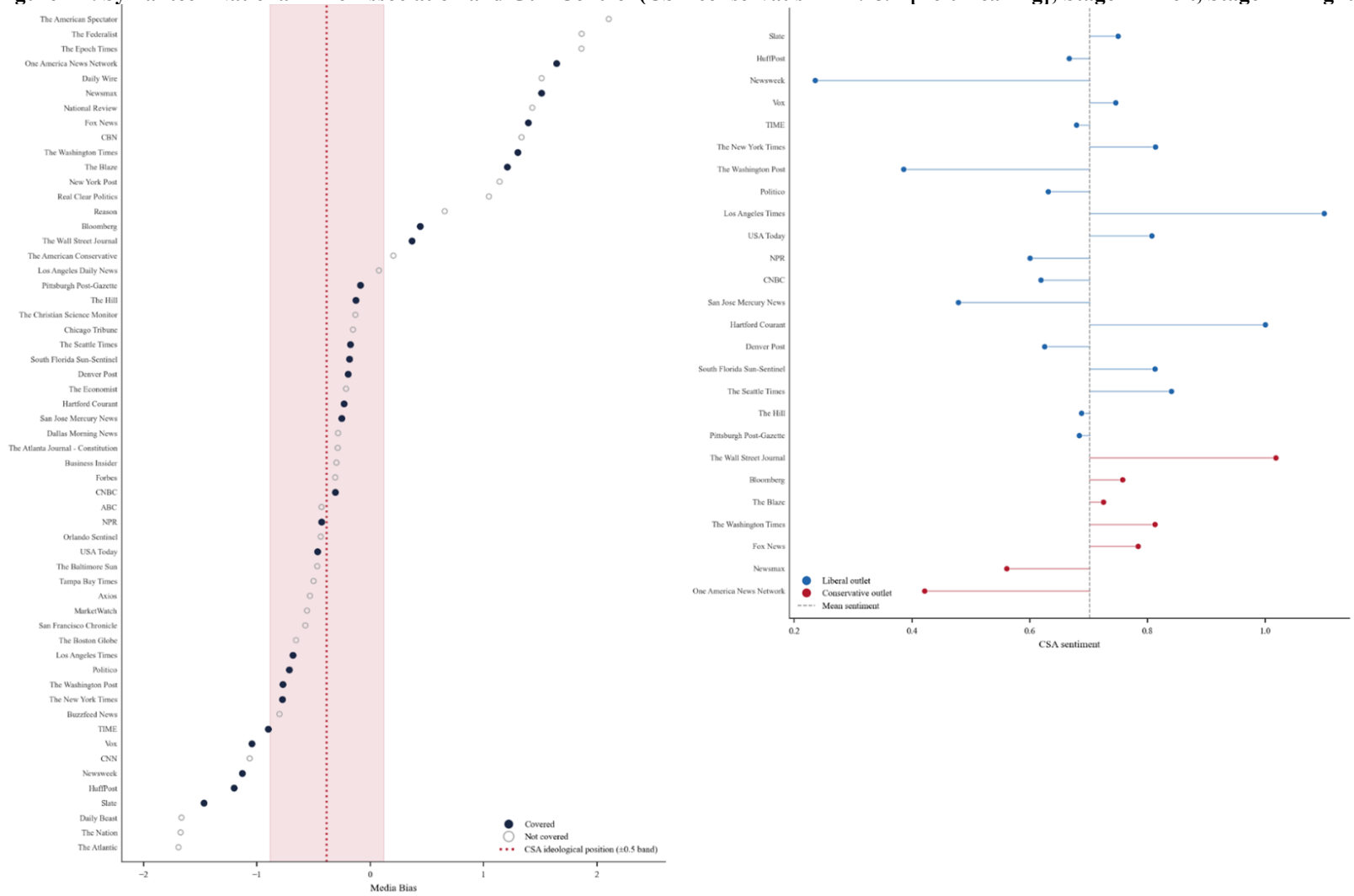


Figure A2. PayPal –North Carolina's Bathroom Bill (CSA conservatism = 3.07/7 [Moderate]; Stage 1 = Left, Stage 2 = Right)

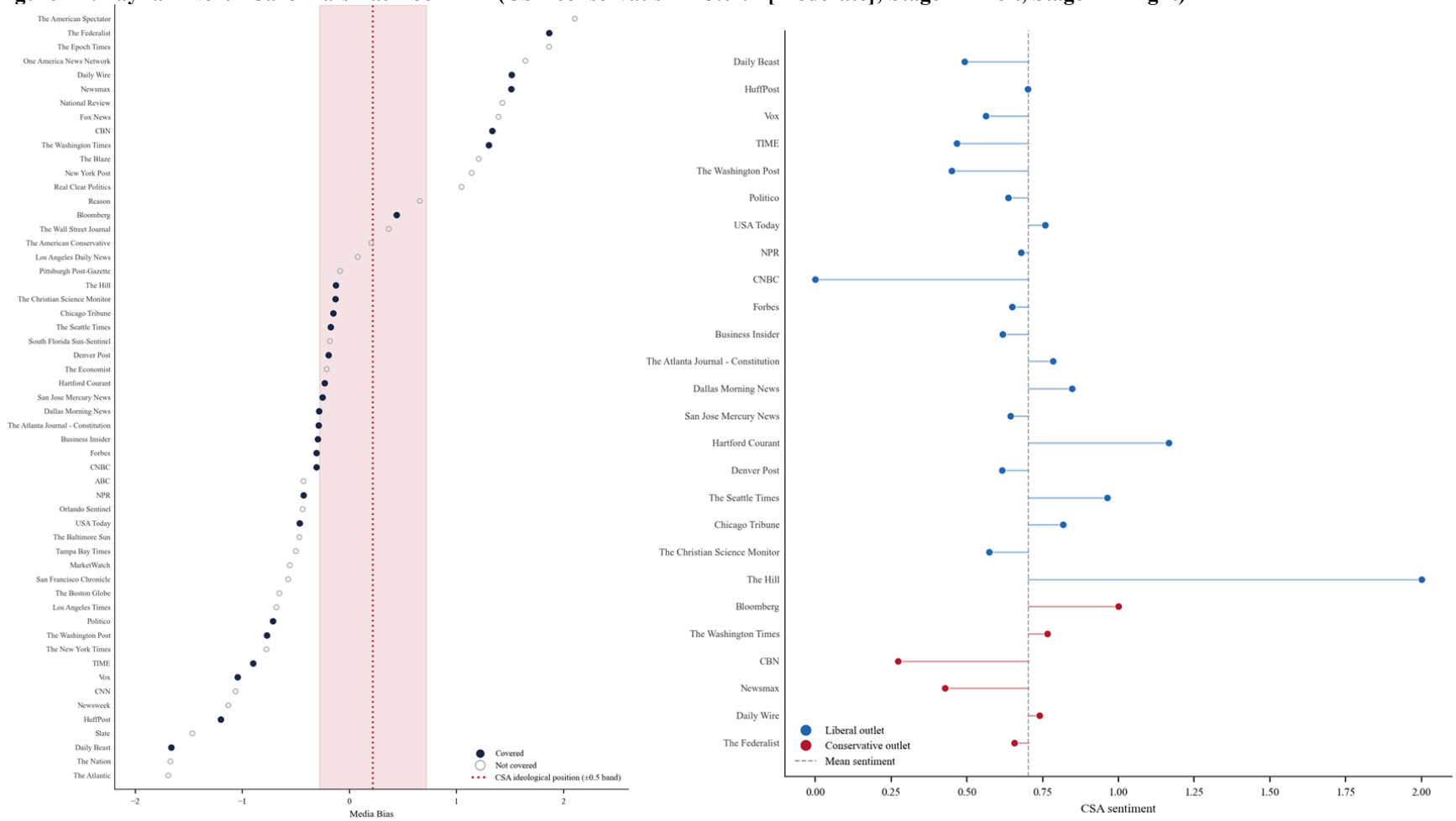
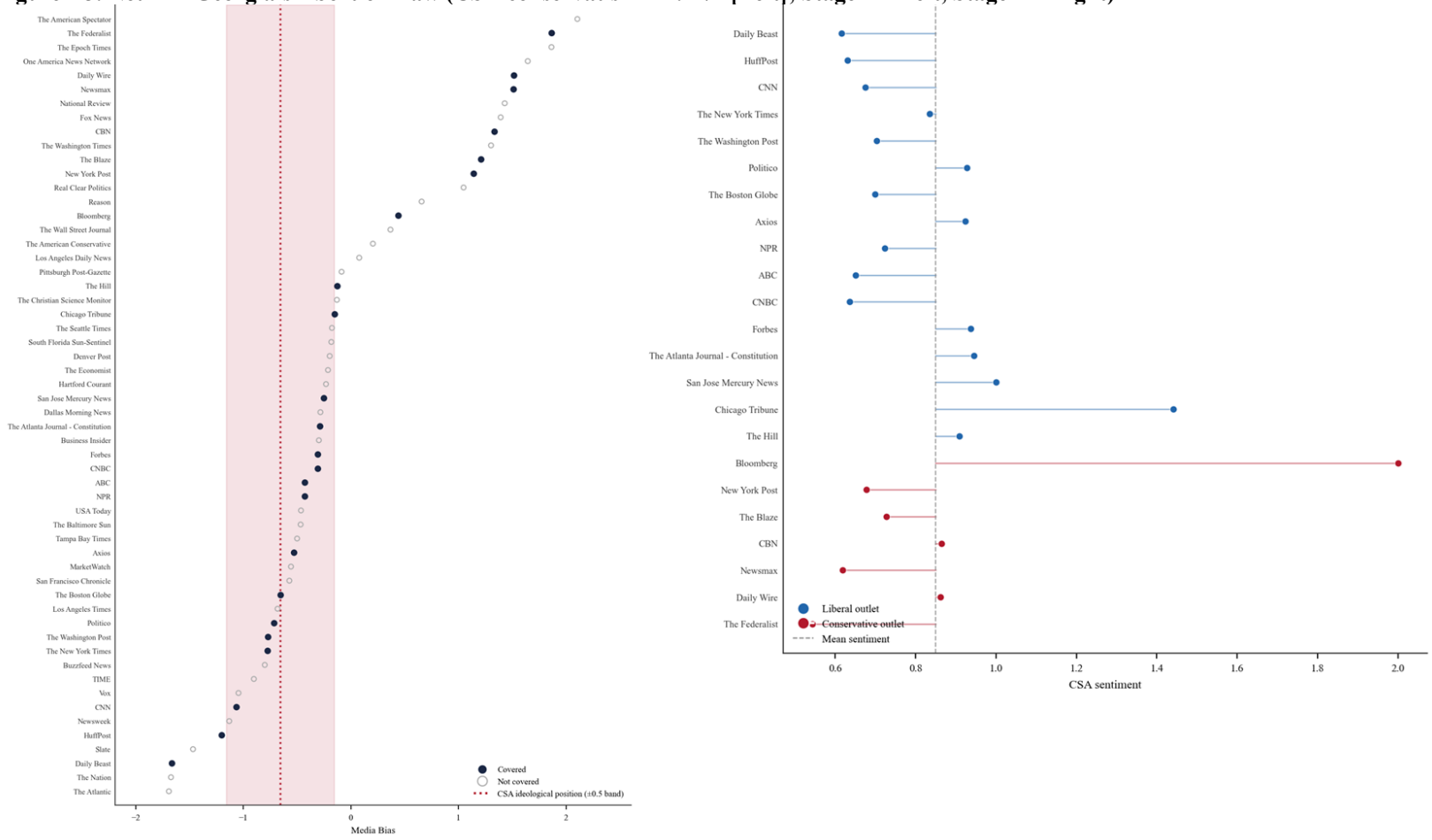


Figure A3. Netflix –Georgia's Abortion Law (CSA conservatism = 2.14/7 [Left]; Stage 1 = Left, Stage 2 = Right)



APPENDIX B

In this appendix, we provide details on testing for endogeneity and any endogeneity-correcting procedures we implemented.

STAGE 1: TWO-STAGE PROBIT (IV) MODEL

The first stage of our theoretical framework predicts a positive relationship between media-event congruence and the likelihood of an event being covered. While we account for myriad firm-, event-, and outlet-level confounds, it is possible that other (e.g., environmental) factors that are omitted from the sample are biasing our estimates. As mentioned in the manuscript, we followed the Oster (2019) method to assess how significant a concern omitted variable bias is. We estimate that omitted variables would have to be about 1.4 times as strong as the set of observed control variables ($\delta = 1.38$) in order to mitigate the observed effect. This is above the threshold of $\delta = 1$, which suggests we should not be overly concerned with omitted variable bias affecting our inference.

However, we account for this possibility by testing a two-stage model built on two sets of instruments: natural and synthetic. The common two-stage probit structure is defined as follows: Let *i* index an outlet-event observation. The coverage decision is modeled as a latent-variable probit in which media-event congruence (M_i) is the potentially endogenous regressor:

$$C^*_i = \beta M_i + z'_i\gamma + u_i \quad [B1]$$

$$C_i = 1(C^*_i > 0) \quad [B2]$$

where C_i equals one if outlet *i* covers the focal event, z_i is the vector of exogenous covariates (the full set of controls from the primary model, media conservatism, and CSA conservatism [added due to our use of the squared term, which we define in the following paragraphs]), sociopolitical-issue category fixed effects, and firm fixed effects, and u_i is the structural error. Endogeneity arises when $\text{cov}(M_i, u_i) \neq 0$. The endogenous regressor satisfies the linear reduced form:

$$M_i = w'_i\pi + z'_i\delta + v_i \quad [B3]$$

where w_i denotes the excluded instruments and v_i is the first-stage error. Identification requires the instruments to be (i) relevant, $\pi \neq 0$, and (ii) excludable, $\text{cov}(w_i, u_i) = 0$. Assuming the errors are jointly normal:

$$(u_i, v_i)' \sim N(0, \Sigma), \quad \Sigma = \begin{bmatrix} 1 & \rho\sigma_v \\ \rho\sigma_v & \sigma_v^2 \end{bmatrix} \quad [B4]$$

the parameters ($\beta, \gamma, \pi, \delta, \rho, \sigma_v$) are estimated jointly by maximum likelihood (the Stata command -*ivprobit*-). The correlation ρ between the structural and first-stage errors captures the endogeneity. A Wald test of H_0: $\rho = 0$ is therefore a test of exogeneity. Failing to reject indicates that congruence may be treated as exogenous, conditional on the covariates. Because the coefficient β in (B1) is on the probit (latent) scale, we also report the average marginal effect of congruence on the probability of coverage to keep the magnitude comparable with the primary probit.

We use two sets of instruments: natural instruments and synthetic instruments (built on the structural form of the first stage of the model). We do this because natural instruments were not strong instruments on their own. Thus, our model combines both sets of instruments, totaling six variables. These are constructed as follows. First, media-event congruence is the negative absolute distance between media conservatism (MBC_i) and CSA conservatism (CSA_i), both standardized:

$$M_i = -|\,\mathrm{MBC}_i - \mathrm{CSA}_i\,| \qquad [B5]$$

The combined model stacks functional-form and natural instruments into a single excluded-instrument vector w_i:

$$w_i = \{\ \mathrm{MBC}_i^2,\ \mathrm{CSA}_i^2,\ \mathrm{MBC}_i{\cdot}\mathrm{CSA}_i,\ \ \mathrm{AGE}_j{\cdot}\mathrm{CSA}_i,\ \mathrm{FEM}_j{\cdot}\mathrm{CSA}_i,\ \mathrm{NR}_j{\cdot}\mathrm{CSA}_i\ \} \qquad [B6]$$

The six excluded instruments form two blocks built on distinct exclusion restrictions:

$$w^{\mathrm{FF}}{}_i = \{\ \mathrm{MBC}_i^2,\ \mathrm{CSA}_i^2,\ \mathrm{MBC}_i{\cdot}\mathrm{CSA}_i\ \} \qquad [B6a]$$

$$w^{\mathrm{NAT}}{}_i = \{\ \mathrm{AGE}_j{\cdot}\mathrm{CSA}_i,\ \mathrm{FEM}_j{\cdot}\mathrm{CSA}_i,\ \mathrm{NR}_j{\cdot}\mathrm{CSA}_i\ \} \qquad [B6b]$$

Functional-form block (B6a). Because the squared congruence distance expands as $(\mathrm{MBC}_i - \mathrm{CSA}_i)^2 = \mathrm{MBC}_i^2 + \mathrm{CSA}_i^2 - 2{\cdot}\mathrm{MBC}_i{\cdot}\mathrm{CSA}_i$, the squared components and their cross-product span the magnitude of congruence conditional on the linear levels, which are retained in z_i. Identification comes from the nonlinearity of the absolute-value map in B5; the exclusion restriction is functional-form—the higher-order conservatism terms are assumed to affect coverage only through congruence. The three instruments are:

MBC_i^2 = squared standardized media-outlet (bias) conservatism for outlet–event i.
CSA_i^2 = squared standardized CSA (firm sociopolitical-activity) conservatism.
$\mathrm{MBC}_i{\cdot}\mathrm{CSA}_i$ = cross-product of the two standardized conservatism components.

Natural block (B6b). The demographic composition of the external rater panel that produced CSA_i—average rater age, female share, and number of raters—shifts the measured rating, and hence congruence, but is plausibly excludable from the coverage decision. Each demographic is interacted with CSA_i because rater composition can move the rating only where there is sociopolitical content to rate. The exclusion restriction is that rater-panel demographics are incidental features of the third-party measurement process and influence coverage only through measured congruence, not through an outlet's editorial decision. The three instruments are:

$\mathrm{AGE}_j{\cdot}\mathrm{CSA}_i$ = average age of rater panel j (the panel underlying CSA_i) × CSA conservatism.
$\mathrm{FEM}_j{\cdot}\mathrm{CSA}_i$ = share of female raters in panel j × CSA conservatism.
$\mathrm{NR}_j{\cdot}\mathrm{CSA}_i$ = number of raters in panel j × CSA conservatism.

Identification and testability. Stacking the two blocks yields six excluded instruments for one endogenous regressor (identification was an issue when using the natural instruments on their own). The synthetic (i.e., functional-form) block supplies mechanically strong identification while the natural block adds independent, non-mechanical exogenous variation. Their joint validity is testable by the Hansen *J* overidentification statistic, which a single-block model cannot provide as informatively. Together, these instruments pass traditional standards of relevance and exogeneity. The first-stage F stat is 221; the Wald test of exogeneity cannot be rejected (p = 0.939), and the overidentification test cannot be rejected (p = 0.176).

Stage 1: Results

We report results of the model in Table B1. As mentioned, this is a robustness check despite evidence that our model is unlikely being materially altered due to omitted variable bias. The effect of media-event

congruence on the likelihood of being covered is positive but loses significance at traditional levels (β = 0.07, p = 0.106). Of note, however, the effect sizes are nearly identical (β = 0.07) and the average change in the probability of coverage for a one-unit change in congruence (i.e., the average marginal effect) is also nearly identical (average marginal effect = 0.017 in the primary model; 0.016 in this model). If endogeneity were badly biasing the primary probit, instrumenting would change the estimate substantially. As noted, however, that does not happen. We instead attribute the lack of statistical significance to the efficiency losses associated with instrumenting a regressor that the exogeneity test does not flag as endogenous (Hausman 1978; Semadeni et al. 2014; Wooldridge 2010). Accordingly, our conclusion is that it is unlikely omitted variable bias is altering our focal coefficient, and if it is, our effect remains when using a model that corrects for it.

TABLE B1. Stage 1 – Two-Stage Instrumental Variable Model

	DV = CSA covered	
	beta (s.e.)	p-value
Media-event congruence	0.07	0.106
	(0.04)	
Media conservatism (linear)	-0.02	0.579
	(0.03)	
CSA conservatism (linear)	-0.00	0.978
	(0.10)	
Direction of incongruence	-0.11	0.117
	(0.07)	
Endowed media coverage	0.10	0.236
	(0.09)	
Total assets	-2.18	0.012
	(0.86)	
Net income	1.43	0.001
	(0.44)	
Outlet size	0.18	< 0.001
	(0.02)	
Average outlet sentiment	-0.32	0.121
	(0.20)	
Organizational conservatism	-4.12	0.284
	(3.85)	
Investor reactions	21.44	< 0.001
	(4.09)	
Legacy = 1	-0.12	0.032
	(0.06)	
CEO = 1	1.04	< 0.001
	(0.22)	
Action = 1	-0.04	0.859
	(0.25)	
Constant	7.38	0.382
	(8.43)	
Observations	3,249	
First stage F-stat	221	
Exogeneity test	p = 0.939	
Overidentification test	p = 0.176	

STAGE 2 – TWO-STAGE LEAST SQUARES MODEL

To consider whether an omitted variable may be leading to the effects we find in Stage 2, we first tested the likelihood that the model is susceptible to omitted variable bias. Then, we identified instrumental variables that were predictive of the first-stage endogenous variable but were not associated with the error term of the dependent variable (Bascle 2008). The impact threshold of a confounding variable (ITCV; Busenbark et al. 2022; Frank 2000) allows us to understand how strongly an omitted variable would need to be correlated with the endogenous regressor and the dependent variable in order to overturn the inference formed in the primary model. The ITCV suggested that 77% of the estimate would have to be due to omitted variable bias to identify an effect between media-event congruence and sentiment of coverage. As a reminder, the OLS and Heckman models for testing stage two resulted in negative but statistically non-significant coefficients. Accordingly, the ITCV helps us understand how much of the sample would need to be biased in order to result in significant negative coefficients. We would need to observe positive coefficients in order to falsify our framework—for which the necessary bias would need to be significantly stronger. In this sense, the ITCV is not as useful as it would be if we had significant results that we were attempting to nullify. Regardless, we implement a two-stage model to explore this possibility, with the understanding that this model does *not* account for selection bias, which we believe to be evident in our models (given our theoretical framework and the significant effect found in Stage 1).

A properly specified two-stage least squares model requires instruments that are highly correlated with the endogenous predictors (i.e., relevant) but not correlated with the error term (i.e., exogenous) (Stock and Yogo 2005). We were unable to identify enough strong natural instruments for testing this model. We thus combined natural instruments with Lewbel's method for creating synthetic instruments (Lewbel 2012). This approach uses the heteroskedasticity among available regressors (in our case, a combination of control variables), and has been gaining popularity among economics and management scholars (e.g., Amsler et al. 2016; Baum and Lewbel 2019; Bun and Harrison 2019; Campbell et al. 2021; Lewbel 2012, 2018). This technique is particularly beneficial because it generates instruments that are mathematically unable to violate the relevance and exogeneity assumptions that are required of strong instruments (Baum and Lewbel 2019). This method operates as follows. Take a linear regression model:

$$Y_i = \beta X_i + Z_i'\gamma + \varepsilon_i \qquad \text{[B7]}$$

Assuming X_i is endogenous, we need instruments for X_i. Lewbel's method constructs synthetic instruments using a set of control variables, Z_i. This occurs in two stages. The resulting instruments are then used as part of a standard two-stage least squares regression. To calculate the synthetic instruments, in the first stage of the model, X_i is regressed on Z_i. The residuals from the first stage, $\hat{e}_i$, are then used to estimate the synthetic instruments S_{ji} in the second stage, where S_{ji} represents the synthetic instruments and take the form:

$$S_{ji} = (Z_{ji} - \bar{Z}_j) \hat{e}_i \qquad \text{[B8]}$$

To reiterate, Z_{ji} are the controls (centered at their sample means $\bar{Z}_j$) and $\hat{e}_i$ is the residual from the first-stage regression of X_i on Z_i. The instruments that are formed can be assessed similarly to external instruments (i.e., using the first-stage F statistics and overidentification tests). As the structural form suggests, the strength of synthetic instruments is largely a function of the heteroskedastic nature of the control variables, Z_i.

In other words, the model predicts the endogenous independent variable in the first stage that includes the control variables as predictors (Baum and Lewbel 2019; Bun and Harrison 2019; Lewbel 2018). The heteroskedasticity in the residuals from the first stage is then used in a formula that orthogonalizes it against the error term in the structural model, transforming the residuals into suitable instruments for a formal two-stage system of equations (Baum and Lewbel 2019; Campbell et al. 2021;

Lewbel 2012). This is combined with any natural instruments included (in our case, *corporate social responsibility*, measured using industry-adjusted KLD values [strengths minus weaknesses]).[3] Results of statistical tests suggest the generated instruments are relevant, as the first-stage statistic exceeds the Stock and Yogo (2005) threshold for 10% maximal relative bias ($F = 11.69$), and the test for overidentification is not significant ($p = 0.259$), supporting instrument validity. The Durbin–Wu–Hausman endogeneity test is only marginally significant ($p = 0.059$), providing at most weak evidence of endogeneity. We note that in Stage 2, we are more concerned about sample selection bias, which is why we implement the Heckman model in the manuscript. Table B2 presents the results of this model, which are comparable to the OLS and Heckman models shown in Table 3 of the manuscript. In fact, the effect size in Table B2 is even stronger than what is reported in the manuscript, suggesting that our primary findings are further supported using this alternative estimator. Again, we want to make it abundantly clear that this model does not correct for sample induced endogeneity. As such, we caution readers from interpreting these results in isolation.

[3] The sample size for this model is smaller than the sample size of our primary model due to missing values of CSR. We also note that because CSR is a firm-level variable, we do not include firm fixed effects in this model.

TABLE B2. Two-Stage Least Squares Regression (Lewbel's Method)

	DV = Sentiment of coverage	
	Model 1	
	beta (s.e.)	p-value
Media-event congruence	-0.05	0.008
	(0.02)	
CSA acceptance	-0.05	0.005
	(0.02)	
Direction of incongruence	0.01	0.655
	(0.02)	
Endowed media coverage	-0.07	0.076
	(0.04)	
Firm size	-0.00	0.580
	(0.01)	
Firm performance	0.00	0.542
	(0.00)	
Outlet size	0.01	0.161
	(0.00)	
Outlet sentiment	0.92	< 0.001
	(0.10)	
Organizational conservatism	-0.23	< 0.001
	(0.05)	
Investor reactions	-0.44	0.225
	(0.36)	
Legacy = 1	0.00	0.918
	(0.02)	
CEO = 1	-0.02	0.446
	(0.02)	
Action = 1	-0.06	0.014
	(0.02)	
Constant	0.11	0.422
	(0.13)	
Observations	690	
R-squared	0.242	
First stage F-stat	11.69	
Exogeneity test (instruments)	p = 0.059	
Overidentification test	p = 0.259	

APPENDIX C

TABLE C1. List of Alternative Measurements and Model Specifications

Row #	Primary (P) or Alt. (A)	Variable	Description	Rationale
1	P	Sentiment of coverage [Stage 2]	The weighted average of the sentiment of CSA news stories (the total sentiment divided by the number of sentences).	
2	A	Sentiment of coverage (unweighted) [Stage 2]	The total sentiment of the CSA news stories. When this measure is used, the number of sentences is an additional control variable.	Sentiment of coverage as a ratio (which is the case in the primary model) may be biasing our coefficient (Certo et al. 2020)
3	P	Endowed media coverage [t – 368, t – 3]	The weighted average of the sentiment of a firm's news coverage (the total sentiment divided by the number of sentences). Uses a 365-day window, ending three days before the focal event (t).	
4	A	Endowed media coverage [t – 368, t – 3] (unweighted)	The total sentiment of the focal firm's news coverage. When this measure is used, the number of sentences is an additional control variable. Uses a 365-day window, ending three days before the focal event (t).	Sentiment of coverage as a ratio (which is the case in the primary model) may be biasing our coefficient (Certo et al. 2020)
5	A	Endowed media coverage, alternative windows: [t – 6, t – 3] (3 days) | [t – 8, t – 3] (5 days) [t – 10, t – 3] (7 days) | [t – 17, t – 3] (14 days) [t – 33, t – 3] (30 days) | [t – 183, t – 3] (180 days)	The same as the primary measure, with different timeframes of analysis.	Our model may be sensitive to a specific period of endowed media coverage. In particular, a firm's more recent coverage may be more influential due to recency bias.
6	A	Endowed media coverage (unweighted), alternative windows	The same as the unweighted endowed media coverage mentioned in row #4, with each of the different timeframes of analysis mentioned in row #5.	Our model may be sensitive to a specific period of endowed media coverage. In particular, a firm's more recent coverage may be more influential due to recency bias.
7	P	Total assets (prior qtr)	The logged value of a firm's total assets in the most recent quarter prior to the focal event.	
8	A	Total assets (prior 4 quarters)	The logged value of a firm's total assets in the most recent 4 quarters prior to the focal event.	A firm's quarterly assets may be subject to high degrees of seasonality.
9	P	Net income (prior qtr)	The logged value of a firm's net income in the most recent quarter prior to the focal event.	
10	A	Net income (prior 4 quarters)	The logged value of a firm's net income in the most recent 4 quarters prior to the focal event.	A firm's quarterly net income may be subject to high degrees of seasonality.
11	P	Organizational conservatism (employee conservatism, 10 year)	A firm's political donations in the most recent election cycle prior to the focal event.	
12	A	Organizational conservatism, alternatives: CEO conservatism, 10 years Employee conservatism, all time CEO conservatism, all time Employee conservatism + CEO conservatism, 10 years Employee conservatism + CEO conservatism, all time	A firm's political donations in each of the corresponding election cycle, regardless of when the focal event occurred.	A firm's political donations may not be stable over time, and an outlet's perception of a firm's political donations may be based on earlier impressions of the organization; political donations by the CEO and by employees may differentially matter.
13	P	Cumulative abnormal stock market returns (CARs)	Investors' reactions to the focal event including the day of and the day after the event - [0,1].	
14	A	CARs, alternative windows: [-3,1], [-3, 3], [-2, 2], [-1, 1], [-1,2], [-1,3], [0, 2], [0, 3], [1, 2], [1, 4], [1, 5], [1, 6], [1,7]	Investors' reactions to the focal event for each of the denoted timeframes.	Investors' reactions to an event may not occur during [0, 1].
15	P	Legacy vs. digital natives	A binary control for legacy outlets. It is included in the primary specification and omitted in half of the model iterations.	The inclusion/exclusion of this variable may bias our findings.
16	A	Trump	A binary indicator for the Presidential administration under which the CSA took place (1 = Trump administration [2017-2019], 0 = Obama administration [2015-2016])	The timing of the behavior could affect news outlets' and audiences' perceptions of it.
17	A	Media conservatism and CSA conservatism as additional control variables	The primary models exclude these control variables because they combine to form the congruence measure. *In half of the model iterations, we include them as additional control variables.*	

TABLE C2. Probit Output from Models with Additional Measurements and Alternative Controls (Stage 1; DV = Covered; IV = Congruence)[a]

P/A[b]	Row # in Table C1	Variable and number of models tested with corresponding version(s) of variable (37,632 total models)		Average Effect of IV (Congruence) on DV (Covered) among models with corresponding variables				
				β	S.E.	p-value	% p-values < .05 [<.10] in ***positive*** direction	% p-values < .05 [< .10] in ***negative*** direction
P	3	Endowed media coverage [t – 368, t – 3]	2,688	0.08	0.04	0.043	54.8% [59.7%]	0.0% [0.0%]
A	4	Endowed media coverage [t – 368, t – 3] (unweighted)	2,688	0.08	0.04	0.041	54.9% [60.0%]	0.0% [0.0%]
A	5	Endowed media coverage, various alternative windows (2,688 models each)[c]	16,128	0.08	0.04	0.055	53.9% [57.6%]	0.0% [0.0%]
A	6	Endowed media coverage, various alternative windows (unweighted; 2,688 models each)	16,128	0.08	0.04	0.043	54.7% [59.5%]	0.0% [0.0%]
P	7 & 9	Total assets (prior qtr) & Net income (prior qtr)	18,816	0.08	0.04	0.039	56.3% [62.2%]	0.0% [0.0%]
A	8 & 10	Total assets (prior 4 quarters) & Net income (prior 4 quarters)	18,816	0.08	0.04	0.058	52.4% [55.3%]	0.0% [0.0%]
P	11	Organizational conservatism (employee; last 10 years)	6,272	0.08	0.04	0.054	51.8% [55.3%]	0.0% [0.0%]
A	12	Organizational conservatism (various employee/CEO alternatives; 6,272 models each)	31,360	0.08	0.04	0.046	54.9% [59.4%]	0.0% [0.0%]
P	13	CARs [0, 1]	2,688	0.10	0.04	0.005	81.7% [92.3%]	0.0% [0.0%]
A	14	CARs, various alternative windows (2,688 models each)	34,944	0.08	0.04	0.054	52.3% [56.1%]	0.0% [0.0%]
P	15	Legacy	18,816	0.07	0.04	0.077	51.6% [54.5%]	0.0% [0.0%]
A	16	Trump	18,816	0.08	0.04	0.046	53.5% [56.9%]	0.0% [0.0%]
		Totals	**37,632**	**0.08**	**0.04**	**0.048**	**54.4% [58.7%]**	**0.0% [0.0%]**

[a] Models were run with the combination of primary and alternative measurements listed. For example, the models including "Endowed media coverage [t – 368, t – 3]" include versions tested with each of the "endowed media coverage" variables and each of the "organizational conservatism" variables and each of the "CARs" variables (etc.). All models include firm-clustered standard errors with sociopolitical issue category fixed effects. Half the models include firm fixed effects (primary) and the other half include industry fixed effects (alternative)

[b] P = Variable was included in primary analysis; A = alternative measure of the primary variable

[c] Alternatives for endowed media coverage, organizational conservatism, and CARs are combined due to space constraints—results are identical or nearly identical within each alternative.

TABLE C3. OLS Output from Models with Additional Measurements and Alternative Controls (Stage 2; DV = Sentiment; IV = Congruence)[a]

P/A[b]	Row # in Table C1	Variable and number of models tested with corresponding version(s) of variable (75,264 total models)		Average Effect of IV (Congruence) on DV (Sentiment) among models with corresponding variables				
				β	S.E.	p-value	% p-values < .05 [<.10] in ***positive*** direction	% p-values < .05 [< .10] in ***negative*** direction
P	1	Sentiment of coverage	37,632	-0.01	0.01	0.668	0.0% [0.0%]	0.0% [0.0%]
A	2	Sentiment of coverage (unweighted)	37,632	0.05	0.51	0.921	0.0% [0.0%]	0.0% [0.0%]
P	3	Endowed media coverage [t – 368, t – 3]	5,376	0.03	0.26	0.902	0.0% [0.0%]	0.0% [0.0%]
A	4	Endowed media coverage [t – 368, t – 3] (unweighted)	5,376	0.05	0.26	0.853	0.0% [0.0%]	0.0% [0.0%]
A	5	Endowed media coverage, various alternative windows (5,376 models each)[c]	32,256	0.00	0.26	0.985	0.0% [0.0%]	0.0% [0.0%]
A	6	Endowed media coverage, various alternative windows (unweighted; 5,376 models each)	32,256	0.03	0.26	0.900	0.0% [0.0%]	0.0% [0.0%]
P	7 & 9	Total assets (prior qtr) & Net income (prior qtr)	37,632	0.03	0.26	0.905	0.0% [0.0%]	0.0% [0.0%]
A	8 & 10	Total assets (prior 4 quarters) & Net income (prior 4 quarters)	37,632	0.01	0.26	0.961	0.0% [0.0%]	0.0% [0.0%]
P	11	Organizational conservatism (employee; last 10 years)	12,544	0.02	0.26	0.928	0.0% [0.0%]	0.0% [0.0%]
A	12	Organizational conservatism (various employee/CEO alternatives; 12,544 models each)	62,720	0.02	0.26	0.934	0.0% [0.0%]	0.0% [0.0%]
P	13	CARs [0, 1]	5,376	0.02	0.27	0.944	0.0% [0.0%]	0.0% [0.0%]
A	14	CARs, various alternative windows (5,376 models each)	69,888	0.02	0.26	0.932	0.0% [0.0%]	0.0% [0.0%]
P	15	Legacy	37,632	0.01	0.27	0.985	0.0% [0.0%]	0.0% [0.0%]
A	16	Trump	37,632	0.03	0.26	0.901	0.0% [0.0%]	0.0% [0.0%]
		Totals	**75,264**	**0.02**	**0.26**	**0.933**	**0.0% [0.0%]**	**0.0% [0.0%]**

[a] Models were run with the combination of primary and alternative measurements listed. For example, the models including "Endowed media coverage [t – 368, t – 3]" include versions tested with each of the "endowed media coverage" variables and each of the "organizational conservatism" variables and each of the "CARs" variables (etc.). All models include firm-clustered standard errors with sociopolitical issue category fixed effects. Half the models include firm fixed effects (primary) and the other half include industry fixed effects (alternative)

[b] P = Variable was included in primary analysis; A = alternative measure of the primary variable

[c] Alternatives for endowed media coverage, organizational conservatism, and CARs are combined due to space constraints—results are identical or nearly identical within each alternative.

APPENDIX D

Counterfactual Test Using Non-Ideologically Valenced Firm Events

One alternative explanation for our findings is that ideologically congruent news outlets simply devote greater attention to certain firms, regardless of whether those firms engage in corporate sociopolitical activism (CSA). Under this account, the relationship we observe between ideological congruence and CSA coverage reflects stable outlet-firm coverage patterns rather than selective attention to ideologically valenced firm behaviors. Although our primary models partially address this concern through firm fixed effects and controls for prior outlet-firm coverage, we examine this alternative explanation more directly through a counterfactual analysis using quarterly earnings calls.

Quarterly earnings calls provide an appropriate comparison because they are economically important, routinely covered corporate events that generally lack inherent political or ideological content. Our theoretical framework argues that ideological congruence shapes media attention when firms engage in ideologically valenced behaviors that allow news outlets to differentiate themselves to their readers. Routine earnings calls are unlikely to provide such opportunities. Consequently, if the ideological selection documented in our primary analyses is specific to CSA, neither media ideology nor its interaction with firm ideology should predict earnings call coverage. Conversely, if our findings simply reflect stable outlet-level tendencies to cover certain firms, we would expect to observe similar relationships in the context of earnings calls. Finding null effects in this counterfactual setting therefore strengthens our interpretation that ideological congruence primarily shapes media attention toward politically charged firm behaviors rather than reflecting a general propensity for ideologically aligned outlets to cover particular firms.

Sample Construction

We constructed the counterfactual dataset by identifying all quarterly earnings calls for firms in our primary CSA analysis sample during the 2015-2019 period. Earnings call dates were obtained from Capital IQ. We examined the fourth quarter (i.e., annual) earnings calls. For each earnings call, we defined a focal coverage window of [0, +3] days following the date of the earnings call and searched for articles published by each of the 57 outlets in our augmented sample. This produced a consideration set of 9,887 outlet-earnings call observations at Stage 1. Of these, 3,627 observations (36.7%) had at least one article in the focal window, constituting the Stage 2 sample for the coverage tone analysis.

We matched control variables to parallel the primary analysis as closely as possible. Firm-level controls include the natural logarithm of total assets (from Compustat annual data, matched to the earnings call's fiscal year) and a logarithmic transformation of net income, corresponding to the firm size and firm performance controls in the primary models. We also include organizational conservatism using the same approach as the primary model. Outlet-level controls include outlet size, outlet baseline sentiment, and prior firm-outlet coverage history—each of which are measured the same as in the primary models.

Data Analysis

We estimate two stages of models, mirroring the primary analysis. In Stage 1, we estimate probit models where the dependent variable is a binary indicator for whether the outlet published at least one article about the firm within the focal window following the earnings call. The key independent variable is media conservatism (measured using the Media Bias Chart's bias rating for the outlet) and its interaction with firm ideology (measured using donation-based indicators, as in the primary analysis). In Stage 2, we estimate OLS models where the dependent variable is the earnings call sentiment. Standard errors are clustered by firm and we include firm fixed effects in both stages.

Findings

The results, presented in Table D1, provide strong evidence that media conservatism does not predict earnings call coverage. In Stage 1 (Model 1), the coefficient is essentially zero ($p = 0.274$). The interaction with organizational conservatism is similarly not statistically significant ($p = 0.389$). In Stage 2 (Model 2), media conservatism and the interaction with organizational conservatism also fail to predict the sentiment of earnings call coverage ($p = 0.373$ and $p = 0.617$, respectively). Together, these findings are consistent with our theoretical argument that ideological congruence shapes media attention when firm behaviors create opportunities for ideological differentiation. In contrast, for routine corporate events that lack inherent ideological content, we find no evidence that outlet ideology or outlet-firm ideological congruence systematically influences coverage. These results therefore strengthen our interpretation that the selection effects documented in our primary analyses reflect event-specific ideological allocation rather than stable outlet-level tendencies to cover particular firms.

TABLE D1. Counterfactual Test

	Probit DV = covered		OLS DV = sentiment	
	Model 1		Model 2	
	beta (s.e.)	p-value	beta (s.e.)	p-value
Media conservatism	0.005	0.274	-0.002	0.373
	(0.004)		(0.002)	
Media conservatism x organizational conservatism	0.005	0.389	-0.001	0.617
	(0.006)		(0.002)	
Constant	-2.284	0.078	0.717	0.001
	(1.294)		(0.192)	
Observations	9,887		3,627	
Pseudo R^2 (probit); Adjusted R^2 (OLS)	0.459		0.151	
Controls	Yes		Yes	
Firm FE	Yes		Yes	

REFERENCES NOT LISTED IN MANUSCRIPT

Amsler C, Prokhorov A, Schmidt P (2016) Endogeneity in stochastic frontier models. *Journal of Econometrics* 190(2): 280-288.

Bascle G (2008) Controlling for endogeneity with instrumental variables in strategic management research. *Strategic Organization* 6(3): 285-327.

Baum CF, Lewbel A (2019) Advice on using heteroskedasticity-based identification. *The Stata Journal* 19(4): 757-767.

Budak C, Goel S, Rao JM (2016) Fair and balanced? Quantifying media bias through crowdsourced content analysis. *Public Opinion Quarterly* 80(S1):250-271.

Bun MJ, Harrison TD (2019) OLS and IV estimation of regression models including endogenous interaction terms. *Econometric Reviews* 38(7): 814-827.

Busenbark JR, Yoon H, Gamache DL, Withers MC (2022) Omitted variable bias: Examining management research with the impact threshold of a confounding variable (ITCV). *Journal of Management* 48(1): 17-48.

Campbell RJ, Busenbark JR, Graffin SD, Boivie S (2021) Retaining problems or solutions? The post-acquisition performance implications of director retention. *Strategic Management Journal* 42(9): 1716-1733.

Certo ST, Busenbark JR, Kalm M, LePine JA (2020) Divided we fall: How ratios undermine research in strategic management. *Organizational Research Methods* 23(2):211-237.

Elejalde E, Ferres L, Schifanella R (2019) Understanding news outlets' audience-targeting patterns. *EPJ Data Science* 8(1):1-20.

Frank KA (2000) Impact of a confounding variable on a regression coefficient. *Sociological Methods & Research* 29(2): 147-194.

Hausman JA (1978) Specification tests in econometrics. *Econometrica: Journal of the Econometric Society* 1251-1271.

Lewbel A (2012) Using heteroscedasticity to identify and estimate mismeasured and endogenous regressor models. *Journal of Business & Economic Statistics* 30(1): 67-80.

Lewbel A (2018) Identification and estimation using heteroscedasticity without instruments: The binary endogenous regressor case. *Economics Letters* 165: 10-12.

Semadeni M, Withers MC, Certo ST (2014) The perils of endogeneity and instrumental variables in strategy research: Understanding through simulations. *Strategic Management Journal* 35(7): 1070-1079.

Stock J, Yogo M (2005) Asymptotic distributions of instrumental variables statistics with many instruments. *Identification and inference for econometric models: Essays in honor of Thomas Rothenberg* 6: 109-120.