

## **COMM 454: Media, Money, and Society**

**Annenberg School for Communication  
University of Southern California  
Prof. Chris Smith  
Fall 2011**

---

**Office: ASC 321A**

**Office Hrs: TH 4-6pm; by appointment**

**Email: [Christhs@usc.edu](mailto:Christhs@usc.edu)**

**Phone: 213-821-5243; Twitter: @CHSmithPhD**

**Class meets: Wed 3:30-6:20pm, ASC 331**

### **Academic Integrity Policy:**

The Annenberg School for Communication is committed to upholding the University's Academic Integrity code as detailed in the SCampus Guide. It is the policy of the School for Communication to report all violations of the code. Any serious violation or pattern of violations of the Academic Integrity Code will result in the student's expulsion from the Communication major or minor, or from the graduate program.

### **ADA Compliance Statement**

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m. – 5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776.

## Themes and Objectives

This course is part of the Annenberg School's recently launched **Media Economics & Entrepreneurship – M{2e}** initiative and is designed to give communication & journalism students an overview of basic economic concepts and core theories of capitalism. In his recent book, *The Ascent of Money: A Financial History of the World* (NY: Penguin, 2008), renowned historian Niall Ferguson asserts that:

*"The more integrated the world's financial markets become, the greater opportunities for financially knowledgeable people wherever they live – and the bigger the risk for downward mobility for the financially illiterate...The rewards for 'getting it' have never been so immense. And the penalties for financial ignorance have never been so stiff."*

Paying heed to Ferguson's timely and pointed diagnosis, this course aims to give students a rudimentary basis for understanding how the free enterprise system operates so that they can not only reap its material rewards, but also so that they can identify its excesses, blind-spots, and lapses and attempt to remedy these inefficiencies through the power of communication. Students will emerge from the course with an appreciation for how capitalism has evolved as a historical project and also for how economic thinking guides corporate and civic governance, as well as everyday decision-making. Given the increasing salience of finance and financial institutions to US economic output in the post-1970s period – and in light of the finance sector's central role in the current global economic crisis – the course devotes particular attention to providing students with the language and knowledge required to think, discuss, and write critically about the implications that the financial system has for the future of the post-industrial, networked society. Toward this end, students are introduced to an interdisciplinary selection of representative works from the fields of communication, critical media studies, economics, economic sociology & history, and journalism studies that will serve as models for how to place the epistemological assumptions, devices, and techniques that constitute neoclassical economic orthodoxy and financial power under critical scrutiny.

**The course begins with** background material on capitalist political philosophy before delving into theories of money, macroeconomics and free market exchange. Over the course of this segment, students will investigate how different monetary forms developed and how they have shaped and been shaped by culture, society, and politics. **The final segment** of the course regards "financialization" and covers the emergence of the modern financial system, its normalization via "efficient market theory," and the socio-political fall-out of the global economic meltdown.

Throughout the term our scheduled reading will be supplemented by film screenings that seek to exemplify archetypal representations of money, markets, and finance within American commercial culture and documentary cinema.

## Course Readings

### Required Textbooks (Available USC Bookstore):

1. Lisa Desjardins and Rick Emerson, *Zombie Economics: A Guide to Personal Finance* (NY: Avery, 2011)
2. Lewis Hyde, *The Gift: Imagination and the Erotic Life of Property* (NY: Vintage, 1979:1983)
3. Dave Kansas, *The Wall Street Journal Guide to the End of Wall Street as We Know It* (NY: Collins Business, 2009)
4. Chris Roush, *Show Me the Money: Writing Business and Economics Stories for Mass Communication* (NY & London: Routledge, 2011)
5. Course reader (Available Magic Machine Copies).

## Competencies and Evaluation

Intro paper	10%
Midterm papers (2)	50%
Final project	30%
Participation	10%

## Schedule of Reading & Evaluation

(Course Reader= CR); (Blackboard=BB)

### **Week 1 – Aug 24: Introduction, Course Overview**

Introduction, syllabus review, overview of themes/goals/expectations

#### **Reading:**

- (BB) Alice M. Rivlin, "Dilemmas of an Economic Superpower," February 24, 1999
  - (BB) Justin Fox, "The End of American (Economic) Exceptionalism," *Harvard Business Review Blog*, August 8, 2011
  - (BB) Richard Wolff, "The Myth of 'American Exceptionalism Implodes,'" *Guardian*, January 18, 2011
  - (CR) Drew Westen, "What Happened to Obama?" *New York Times*, August 6, 2011
  - (CR) James Carville, "Daddy, tell me, what exactly is a derivative?" *FT*, March 25, 2009
  - (CR) Felix Gillette, "Wanted: An Economic Surrogate for Obama Who Gives Good TV," *The New York Observer*, April 6, 2009
  - (CR) Sean McCann, "Will This Crisis Produce a 'Gatsby'?" *Wall Street Journal*, February 21, 2009
  - (BB) NBC Nightly News, "Reality TV," July 26, 2009
  - (CR) Ludovic Hunter-Tilney, "Aloe Blacc, Somerset House, London" *FT*, July 12, 2011
  - (BB) Dallas, "Jay-Z and Kanye's Out-Of-Touch, Wealth-Obsessed, Culturally-Irrelevant 'Otis'," *Black Youth Project Blog*, July 22, 2011
  - (BB) Jay-Z and Kanye West, "Otis" music video
- Intro Paper Assigned, due Week 3**

### **Week 2 – Aug 31: Economics – Attacking, Defending, and (Re-)Defining "The Dismal Science"**

#### **Reading:**

- (CR) Luke Johnson, "The Dismal Science is Bereft of Good Ideas," *FT*, June 7, 2011
  - (BB) *Knowledge@Wharton*, "Why Economists Failed to Predict the Financial Crisis," May 13, 2009
  - (BB) David Colander, et al., "The Financial Crisis and the Systemic Failure of Academic Economics"
  - (CR) Diane Coyle, *Sex, Drugs & Economics*, "Epilogue: In Praise of Economics"
  - (BB) Vicky Allsopp, "Economics, Canonizing Discourse and the Case for Interdisciplinarity"
  - (BB) Terry Flew, "The Cultural Economy Moment?"
- In-class Screening: *Mind over Market* (2010)**

### **Week 3 – Sep 7: Market Capitalism – Historical Roots**

#### **Reading:**

- (CR) Jerry Z. Muller, *The Mind and the Market: Capitalism in Modern European Thought* (NY: Knopf, 2002), "Introduction," ix-xvii, Ch. 1, "Historical Backdrop: Rights, Righteousness, and Virtue"
- (CR) Joyce Appleby, *The Relentless Revolution: A History of Capitalism*, Ch. 1, "The Puzzle of Capitalism," pp. 3-7, 15-26
- (CR) Mark C. Taylor, *Confidence Games*, Ch. 2, "Marketing Providence", pp. 68-89
- (CR) Robert L. Heilbroner, *The Worldly Philosophers: The Lives, Times, and Ideas of the Great Economic Thinkers*, Ch.2, "The Economic Revolution"
- (CR) Edward Chancellor, *Devil Take the Hindmost*, Ch. 1

**In-class Screening: *The Ascent of Money* (2009)**

### **Week 4 – Sep 14: Economics – Core Ideas**

#### **Reading:**

- (BB) Alan Greenspan, "The Ascendancy of Market Capitalism," April 2, 1998
- (BB) Roger E. Backhouse and Steven G. Medema, "On the Definition of Economics," *Journal of Economic Perspectives*, 23(1): 221-233
- (CR) Thomas Sowell, *Basic Economics: A Common Sense Guide to the Economy*, Ch. 1, "What is Economics" & Ch. 2, "The Role of Prices"
- (BB) "Borat Goes to the Supermarket"
- (CR) Charles Wheelan, *Naked Economics: Undressing the Dismal Science*, Ch. 1, "The Power of Markets: Who Feeds Paris?"
- (CR) Gillian Doyle, *Understanding Media Economics*, Ch. 1

### **Week 5 – Sep 21: Economic Actors – Firms**

#### **Reading:**

- Chris Roush, *Show Me the Money: Writing Business and Economics Stories for Mass Communication*, Chs. 2, 7, 9
- (CR) Thomas Sowell, *Basic Economics: A Common Sense Guide to the Economy*, Chs. 5-6, 8

### **Week 6 – Sep 28: Economic Actors – Government**

#### **Reading:**

- (CR) Thomas Sowell, *Basic Economics: A Common Sense Guide to the Economy*, Chs. 16-18
- (CR) Charles Wheelan, *Naked Economics*, Chs. 3-4, 9-10

**In-class Screening: *I.O.U.S.A.* (2009)**

## **Week 7 – Oct 5: Economic Actors – Individuals**

### **Reading:**

- (BB) John Scott, *Understanding Contemporary Society: Theories of the Present*, "Rational Choice Theory"
- (CR) Joyce Appleby, *The Relentless Revolution: A History of Capitalism*, Ch. 4, "Commentary on Markets and Human Nature", pp. 87-94; 118-120
- (BB) Jonathan B. Wight, "The Treatment of Adam Smith's Invisible Hand"
- (BB) Milan Zafirovski, "The Rational Choice Generalization of Neoclassical Economics Reconsidered..."

## **Week 8 – Oct 12: Gifts & Commodities in/as Economic Systems**

### **Reading:**

- Lewis Hyde, *The Gift*, Introduction, Pt. I: Chs. 1, 2, 4, 6
- (CR) Mark C. Taylor, *Confidence Games*, Ch. 2, "Marketing Providence", pp.57-68
- (CR) Marcel Mauss, *The Gift: Forms and Functions of Exchange in Archaic Societies*, Introduction, Ch. 2 & 4
- (BB) James Carrier, "Gifts, Commodities, and Social Relations: A Maussian View of Exchange," *Sociological Forum*, 1991, 6(1): 119-136.
- (BB) Andrew Leyshon, "Scary Monsters? Software formats, peer-to-peer networks, and the spectre of the gift"
- (CR) Chris Anderson, *Free: How Today's Smartest Businesses Profit by Giving Something for Nothing*, pp. 1-14, 27-28, 186-189
- (CR) Rob Walker, "Valuing \$0: Measuring Creative Gifts from Worthless to Priceless"
- In-class Screening: *Sex and the City*: "Ring a Ding Ding"**
- Midterm Paper #1 Assigned, due Week 10**

## **Week 9 – Oct 19: Economic Actors – Personal Finance & Financial**

### **Literacy**

- Chris Roush, *Show Me the Money*, Ch. 5
- Lisa Desjardins and Rick Emerson, *Zombie Economics: A Guide to Personal Finance*, Prologue, Chs. 1-5, 7-8, 12, Epilogue
- (BB) Arthur Levitt, Former SEC Chairman: "Financial Literacy and Role of the Media," a speech given at the Media Studies Center, New York, NY, April 26, 1999
- (CR) Leora Moldofsky, "Race is on to Teach Skills," *FT*, November 6, 2006
- (CR) Samantha Pearson, "Children of the Credit Revolution," *FT*, July 8, 2009
- (CR) Karen Blumenthal, "Is There a Cure for Financial Illiteracy?" *Wall Street Journal*, June 19, 2010
- (BB) Cara Newman, "Hip-Hop Financial Literacy: Making It and Keeping It," *Young Money Magazine*
- (BB) Nate Kreuter, "Get a Financial Education," *Inside Higher Ed*, July 27, 2011
- (BB) Joe Donahue, "Paying Off Student Loan Debt and Other Financial Matters," October 11, 2010
- (BB) NPR: North Country Public Radio: "How A Recession Rewires Your Tolerance For Risk"
- (BB) Manisha Thakor, "What Celebrities' Financial Flubs Teach Us"
- In-class Screening: *Your Life, Your Money* (2009)**
- Final Group Project Assigned, due Monday, December 12, 2011**

## **Week 10 – Oct 26: Financialization - The Mainstreaming of Wall Street**

### **Reading:**

- (CR) Alex Preda, "Introduction: Capitalism and the Boundaries of Finance", pp. 1-6
- (CR) Marieke De Goede, *Virtue, Fortune, and Faith*, Ch. 3 "Finance, Gambling, and Speculation"
- (CR) Steve Fraser, *Every Man a Speculator: A History of Wall Street in American Life*, Ch. 16, "Shareholder Nation"
- (BB) Christopher H. Smith, "Hip-Hop Moguls" (*African Americans and Popular Culture*, Vol. 3)
- (BB) *The Pop History Dig Blog*, Film Icons & Culture: "Wall Street's Gekko" 1980s-2010
- (BB) *Boiler Room* - Vin Diesel, Ben Affleck quote *Wall Street* Scene

**Library Reserve Screening: *Wall Street* (1987)**

**Midterm Paper #2 Assigned, due Week 14**

## **Week 11 – Nov 2: Financialization – Risk & Risk Management (Black-Scholes, LTCM & Enron)**

- (BB) Donald MacKenzie, "Opening the Black Boxes of Global Finance," *Review of International Political Economy*, 12(4): 555-576
- (BB) Alan Greenspan, "Financial Derivatives," March 19, 1999
- (CR) Wheelan, *Naked Economics*, Ch. 7
- (CR) John Quiggin, *Zombie Economics: How Dead Ideas Still Walk Among Us*, Ch. 2 "The Efficient Market Hypothesis," pp. 35-59
- (BB) Richard Thaler, "The Price is Not Always Right and Markets Can be Wrong," *FT*, August 5, 2009
- (CR) Roger E. Backhouse, *The Puzzle of Modern Economics: Science or Ideology*, Ch. 5 "Money and Finance," pp. 74-84
- (BB) Jim Davis, "Speculative Capital in a Global Age," *Race & Class*, 44 (3): pp. 1-22
- (BB) Robin Blackburn, "The Enron Debacle and the Pension Crisis" *New Left Review*, 14: pp. 26-39

**Library Reserve Screening: *Enron: The Smartest Guys in the Room* (2005); In-class Screening: *Trillion Dollar Bet* (2000)**

## **Week 12 – Nov 9: The Subprime Crisis, Pt. 1**

### **Reading:**

- Dave Kansas, *The Wall Street Journal Guide to the End of Wall Street as We Know It*, Introduction, Chs. 1-5
- (BB) Time Magazine, "25 People to Blame for the Financial Crisis"
- (BB) Robin Blackburn, "The Subprime Crisis"
- (BB) Karen E. Dynan, "Changing Household Financial Opportunities and Economic Security," *Journal of Economic Perspectives*, 23(4): 49-68
- (BB) Bruce Carruthers, "A Sociology of Bubbles"
- (CR) Alan Greenspan, "We Will Never Have a Perfect Model for Risk," *FT*, March 16, 2008

**In-class Screening: *Inside Job* (2010)**

### **Week 13 – Nov 16: The Subprime Crisis, Pt. 2 – Business Media & The Great Recession**

#### **Reading:**

Chris Roush, *Show Me the Money*, Ch. 1

**(BB)** Gordon C. Clark, et. al., "Performing Finance: The Industry, the Media and its Image"

**(BB)** Ben Steverman, "Stocks: The Meltdown and the Media," *Bloomberg Business Week*, October 28, 2008

**(CR)** Jim Impoco, "Financial News, Front and Center: What Took So Long?" *NY Times*, April 12, 2009

**(CR)** Lionel Barber, "A Flawed First Draft of History," *FT*, April 22, 2009

**(CR)** Chris Roush, "Unheeded Warnings," *American Journalism Review*, December/January 2009

**(CR)** Motoko Rich and David Leonhardt, "Trading Places: Real Estate Instead of Dot-Coms," *NY Times*, March 25, 2005

**(BB)** Mark Whitehouse, "Risk Management: As Home Owners Face Strains, Market Bets on Loan Defaults," *WSJ*, October 30, 2006

**(CR)** David Carr, "Daring to Say Loans Made No Sense," *NY Times*, September 29, 2008

**(BB)** NPR News: "This American Life – The Giant Pool of Money"

**(BB)** Dean Starkman, "Boiler Room," *Columbia Journalism Review*, September/October 2008, 48-53

**(CR)** Howard Kurtz, "Stewart's Time to Channel Our Anger," *Wall Street Journal*, 14 March 2009, A1

**(BB)** "Rick Santelli's Chicago Tea Party Rant" (YouTube)

**(BB)** Various *The Daily Show with Jon Stewart* clips re: CNBC's *Mad Money*

**(CR)** Zev Chafets, "Jim Cramer Hits an All-Time High," *NY Times*, May 11, 2011

**(CR)** Kristine Lowe, "How Blogs Challenged and Transformed Mainstream Media Coverage of the Credit Crisis," *Ethical Space: The International Journal of Communication Ethics*, 6(3/4): 92-98

**(CR)** Kelly Evans, "The New Stars of the Blogosphere," *WSJ*, July 16, 2009

### **Week 14: Class Suspended – Thanksgiving Holiday**



**Week 15 – Nov 30: The Subprime Crisis, Pt. 3 – “In the News”: Race, Housing, and “The American Dream”**

**Reading:**

- (BB) Judith Treas, “The Great American Recession: Sociological Insights on Blame and Pain,” *Sociological Perspectives*, 53(1): 3-17
- (BB) Catherine R. Squires, “Bursting the Bubble: A Case Study of Counter-Framing in the Editorial Pages,” *Critical Studies in Media Communication*, 28(1): 30-49
- (BB) Michael Powell, “Bank Accused of Pushing Mortgage Deal to Blacks,” *NY Times*, June 6, 2009
- (BB) Michael Powell, “Judge Throws Out Baltimore Lawsuit against Wells Fargo,” *NY Times*, January 8, 2010
- (BB) Max Abelson, “The Foreclosure Fiasco and Wall Street’s Shrug,” *NY Observer*, October 18, 2010
- (CR) Miriam Jordan, “White-Minority Wealth Gap Widens,” *WSJ*, July 26, 2011
- (CR) Jean Eaglesham, “Criminal Mortgage Probes Fizzle Out,” *WSJ*, August 6, 2011

**In-class Screening: *American Casino***

**\*Final Group Project due Monday, December 12, 2011\***