



Follow The Money

First of Three Methods of Journalism

By

Mark McGee

Journalistic Methods

We've been looking at the process of journalism in recent newsletters. I'd like to pivot now to some of the methods we use as journalists in the pursuit of truth.

The job of a journalist is to find and report the truth. Doing that takes time, determination, and a process. Process is “a series of actions or steps taken in order to achieve a particular end” (*Oxford Languages*). That means we're looking at the series of actions or steps a journalist takes in order find and report the truth.

Journalists also use **methods** to achieve their objective. A method is “a particular form of procedure for accomplishing or approaching something, especially a systematic or established one” (*Oxford Languages*).

In a previous newsletter we addressed the process of **reasoning** to reach a conclusion about news stories. The three types of reasoning we looked at were —

1. Deductive
2. Inductive
3. Abductive

The terms are based on the Latin word *ducere*, which means “to lead.” The use of reasoning in journalism will “lead” the journalist to determine what is true. The *method* we use from that is to **follow**. Reason *leads* the journalist to use the method of *following*.

Here are the three following methods we'll look at in the next several newsletters —

- Follow the Money
- Follow the People
- Follow the Science

First, the money.

Follow The Money

Money is a big motivator. That's why I believe so strongly in following the money in a news story. If you know where money comes from, where it goes, and who benefits from it, you have something important to report. The more money involved, the more governments and corporations will try to hide that information from journalists and the public.

One of the things that peaked my interest as an investigative reporter was when I asked questions about money and heard one these responses –

- We don't have that information
- You can't have that information

Journalists should seriously doubt that someone in a government office does not have access to information about how they are spending taxpayer dollars. Governments work off of budgets, so they know to the penny how much they have to spend on every aspect of their department's work. If someone tells you they don't have the information you need, ask them who does. If the government employee or official is being honest with you, they will help you find someone who can answer your questions. If they aren't being honest, they will often try to stall, hoping you will give up looking and move on to something else. Don't let them do that. Tell them you believe someone in their department or agency knows the answers to your questions and insist they get you to that person. Keep in mind that you have that right as a journalist. Members of the public also have the same right to know how their tax dollars are spent.

If someone tells a journalist they can't have the information, warning bells should sound loudly and the reporter should quickly go into overdrive. Reporters are representatives of the public, and the public has a right to know how governments spend taxpayer money. That includes any agency receiving taxpayer money. Therefore, reporters have a right to know.

What can you do if a government employee says you can't have the information? Ask them why not, then let them know you will be including their answer, along with their name and position, as part of your story. That opened many doors for me as a reporter. Government employees often do the bidding of their supervisors and don't want to take the fall for not giving the public what they have a right to know. Many public officials and governmental supervisors will throw their employees under the bus in these situations, and that doesn't settle well with government employees. I broke a lot of big stories because of that.

Freedom of Information



[FOIA.gov](https://www.foia.gov)

One of my favorite tools as a journalist is *The Freedom of Information Act*. It went into effect while I was still in college, and so it was available for me to use when I started working full-time in broadcasting. Because it was a new law, reporters and government employees learned how it worked at the same time. There were some bumpy places at the beginning, but we smoothed out the process through mutual respect and cooperation.

Reporters make FOIA (Freedom of Information Act) requests of documents and other information under government control. The law requires the full or partial disclosure of the previously unreleased information depending on certain exemptions allowed for specific purposes. I recommend all journalists [learn how to make an FOIA request](#), especially to get information about how government agencies spend taxpayer money.

Another tool reporters should use is *Government in the Sunshine* laws. I tested it many times in different states when government bodies wanted to hold secret meetings or keep records from the public — the Sunshine Law usually held up well. There were times when the people holding secret meetings would end the meeting and leave a building because I pointed to a copy of the Sunshine Law, but that's okay. All 50 U.S. states now have freedom of information laws, and so you have a great tool to use no matter where you cover news.

However, the fact that these laws exist does not mean government employees and elected officials follow them. That's the job of journalists and concerned citizens to force the government to be open for inspection when government employees and officials want to keep the public in the dark. Money is often one of those things government officials and employees don't want us to follow closely. That's because money often means *power*. People in power usually want to keep their power and even expand their power. That means journalists and interested members of the public have to be vigilant in holding government officials and employees responsible for how they spend taxpayer money.

Another tool journalists have is the *Internet*. Some of the information you may want to see about how governments spend money is already available on local, state and federal websites. Be sure to check the date of when site information was updated to make sure it's current. You should also contact someone at the government department or agency to confirm that the information on the website is correct. Website information sometimes lags behind official action.

Sacred Trust



billofrightsinstitute.org

Journalists are paid to find out how much things cost and to inform the public how government agencies are spending their money. I view that as a sacred trust given to us by the founding fathers of our country. They amended the Constitution to specifically mention members of the press –

“Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.”

FIRST AMENDMENT TO THE UNITED STATES CONSTITUTION, 1789

Thomas Jefferson, one of our founding fathers, second Vice-President and third President of the United States, wrote extensively about the importance of a free press –

“Our liberty cannot be guarded but by the freedom of the press, nor that be limited without danger of losing it.”

THOMAS JEFFERSON TO JOHN JAY, 1786

“No experiment can be more interesting than that we are now trying, and which we trust will end in establishing the fact, that man may be governed by reason and truth. Our first object should therefore be, to leave open to him all the avenues to truth. The most effectual hitherto found, is the freedom of the press.”

THOMAS JEFFERSON TO JOHN TYLER, 1804. ME 11:33

“The only security of all is in a free press. The force of public opinion cannot be resisted when permitted freely to be expressed. The agitation it produces must be submitted to. It is necessary, to keep the waters pure.”

THOMAS JEFFERSON TO LAFAYETTE, 1823. ME 15:491

It has been said that journalists have four primary roles to play in society –

1. normative
2. cognitive
3. practiced
4. narrated

Those correspond to what journalists –

- ought to do
- want to do
- really do
- think they do

If you are a journalist or hope to be one in the future, think about these roles carefully. It's important to understand each one and to be sure that you identify with your proper role every day as you earn a paycheck. Understand that the role you play in society is specifically tied to the success or failure of the nation you serve. Our country is at a turning point in many ways and the careful eye of an honest press (media) is needed to force government to be honest in doing the work of the people.

Economic Realities



[Photo by Alexander Mills on Unsplash](#)

Economics is a huge part of our lives. It affects how much we are paid for doing a job. It impacts how much we pay for food, clothing, housing, transportation, entertainment, and other things we want and need. What do you do when the cost of something you need is too high? You probably shop around until you find the cost that fits your budget. What do you do when your wages are not enough to pay your bills? You find a way to earn more money or a way to spend less money. That's what most of us do. Even state and local

governments do the same thing. They raise fees and taxes or cut budgets. What does the federal government do? They can raise taxes and fees and can cut budgets (though they rarely do that), but the federal government can also borrow and print money.

That's where journalists come in — or at least they should. Journalists should be *watchdogs* for how governments spend taxpayer money. It's not hard to do, though it does take time and effort. Governments work off budgets that elected officials (e.g. city councilors, county commissioners, state legislators, members of congress) approve each fiscal year.

Departments and agencies of governments are required to account for how they spend taxpayer money. They are supposed to work for the people, not themselves. Elected officials are responsible for how taxpayer money is spent to run the government. Voters are supposed to have the last word on how governments are run by voting elected officials in or out of office.

So, what part do journalists play? Journalists are paid by private companies to keep a trained and skeptical eye on what elected and unelected officials do with taxpayer money and to communicate their findings to the taxpayers. Pretty simple system and it works well if ..

1. Journalists carefully watch how government departments and agencies request and receive taxpayer money.
2. Journalists carefully watch how government departments and agencies spend taxpayer money.
3. Journalists hold government departments and agencies responsible and accountable for how they spend taxpayer money.
4. Journalists report their findings accurately and objectively. An informed public, therefore, can contact their elected officials about any spending matters that concern them.

Most professional journalists begin their career working for small radio or television stations or small publications (including online news outlets). That's where they learn the *craft* of journalism. An important part of the craft is economics. If you are studying to be a journalist and haven't chosen a minor yet, consider economics. Economics will be part of almost everything you do in a career as a working journalist.

Many young journalists today work as general reporters, meaning a news manager/editor assigns them one or more stories to cover each day and the reporter covers those stories. General reporting usually does not allow a journalist to learn the ins and outs of covering the budgetary process of government bodies because they're running from one story to another to another, then back to the station or publication to write their stories. Time to do the hard work of digging into stories, especially the economics of those stories, is not built into their daily schedule. If they have the desire to do that, it may have to be done during their personal time. General reporting also does not give journalists the training and experience needed to know what

to dig for, how to hold government officials and employees responsible for taxpayer-funded programs, and how to report their findings clearly to the public.

That's where *beat reporting* can be a big help to young journalists. Beat reporting is where reporters are responsible for covering one or more parts of local, state, or federal governments. Some examples are: police, crime, court, education, city hall, business, military, legislative, congressional, governor, White House, etc. Part of a beat reporter's responsibility is to know everything going on in their beat, including how the government departments or agencies they cover spend taxpayer money. Thus, the phrase, *follow the money*.

Beat reporters are involved with the economics of the government departments they cover from the beginning of the budget process to the spending of allocated monies. They know details about every aspect of budgets and expenditures, which means they can give context to their stories about how taxpayer money is spent.

Part of covering a news beat effectively includes developing good relationships with trustworthy government employees and officials. The people who work in government are members of the public and often care deeply about how government spends taxpayer dollars. Even as a journalist looks for trustworthy sources and contacts, many government employees are looking for trustworthy journalists. It's a good partnership when done properly.

You may find [USAspending.gov](https://www.usaspending.gov) helpful in tracking how federal government departments and agencies spend taxpayer dollars. You can find online information for your [local governments](#) or [state governments](#) at a variety of websites. You can also visit local or state government offices and request financial information for your stories.

Businesses and Non-Profits

What about journalists covering businesses and non-profits? Let's start with private companies. Aren't journalists restricted from gathering information about a private business? Yes, there are some restrictions when compared to the intended openness of a government agency. However, information about businesses is readily available online and was long before the Internet. I spent a lot of time in the 60s, 70s, and 80s going through boxes of records at city halls and county annex buildings. It's easier and faster today with the Internet, but not as much fun (or dusty).

Search for the company by its name(s) and you will usually discover the names of the owners, when last sold and for how much, names of previous owners, addresses, phone numbers, websites, the products or services available from the company, etc.

Be sure to read the business charter and property tax records for local businesses. Lots of great information there. You can also search for business records and filings at your local courthouse and the Secretary of State's office. Private businesses that want to do business with a government body usually open a lot of its information to journalists who know where to look. You can also check with the [Occupational Safety and Health Administration](#) to see if the company was fined for unsafe work conditions and for how much.

Most businesses fall under one or more regulatory agencies of government. Find out which agencies regulate the business you're investigating, and check to see if there are any past or ongoing government investigations into the business. Many local businesses are inspected on a regular basis (e.g. restaurants, banks, loan companies), so be sure to check regularly for the outcome of those inspections. You can also run the names of business owners through a variety of databases to see if they've had financial problems in the past.

Don't forget about schools, colleges, and universities. Lots of great financial stories are waiting to be told. You just have to take the initiative to find them. Public schools and college financial records are readily available for journalists to inspect. Private schools and college financial records are also available when you know how the system works. Old journalist saying — *learn how the system works, then work the system*. If you understand school charters, regulations, and financial reporting, you'll know where to look and what questions to ask.

If the business you are covering happens to be publicly traded, check out the U.S. Securities and Exchange Commission's [Edgar search site](#). Tons of great info there.

Depending on what you find during your coverage of businesses (private and public), be sure to keep good records and take copious notes. Follow through with penetrating interviews and keep the tapes, records, and your notes in a safe place. Also protect sensitive information like emails, texts, phone records, etc. Back up your computer regularly and save important files on external hard drives

and/or thumb drives. Keep them in different locations if your investigation is particularly sensitive.

I also recommend journalists look into the finances of non-profit groups in your community. Many donors like to know the overhead cost of a non-profit/charity. What is the group's program expense ratio? That's the percentage of how much a non-profit spends on its core mission. What is the administrative expense ratio? That measures how much of a non-profit's expenses go to administrative costs. How efficient is the non-profit in raising funds? What about its accounts receivable turnover ratio? Its cash reserves?

Also, learn about the 990 form that nonprofits have to file with the IRS each year. It lists an agency's board members and the salaries of top employees. How much money does the non-profit take in each quarter? How much money do they spend and on what? Look at the non-profit's charter and who serves on the board. Anything look suspicious? Check it out carefully.

Other good places to check into businesses and non-profits are the Better Business Bureau, Department of Consumer Affairs, and local law enforcement agencies.

You'll also find some good info for covering businesses available at the [SPJ Journalist's Toolbox](#).



1960s Radio News, © Mark McGee