

Does Explanatory Journalism Exist on Deadline?

Think of that line that appears in any number of movies about the hard-boiled world of old-fashioned newspapers: “Hello, sweetheart, get me rewrite!” The fedora-wearing reporter then yells “Stop the presses!” and barks a string of facts into the phone before racing off to cover the next fire or scandal or to just head off to the bar. His job is “just the facts” – let the poor guy or gal at the other end of the line make sense of them.

Things aren’t like that anymore. For one thing, there aren’t any presses to stop! And no telephone operators to call sweetheart. But the pressure to break news and get it to readers quickly is, if anything, more intense than ever before. Can we do it in a way in which we provide readers with the background and context they need to understand the news?

When it comes to the very fastest formats news organizations that rely on like alerts, tweets and live-blogging, the answer is ... well, to be honest, it’s mostly no. When speed matters more than everything else except accuracy, speed wins, which means brevity wins. There’s not a lot of room for analysis in “TITANIC SINKS” or “MAN LANDS ON MOON.”

But the good news is that most news doesn’t move quite that fast, and that since there aren’t presses to stop anymore, we can help readers out, either by taking a little time before filing or by revising pieces that had to be published too quickly to fill out the first time.

I’m going to describe two methods for doing this. Call one “write and fix” and the other “frame it first.” They’re pretty much what they sound like. In one approach, you just write your story without stopping to ponder too deeply over what explanatory material would help readers, and then look it over for the kinds of holes and pitfalls that are likely to cause problems. In the second, you take some time before writing to think about what would need explanation and set up an outline that gives you space and reminds you to deal with them.

In both cases, you’re looking for the same things. Is there

- Jargon or other key terms used in a way that many readers won’t understand
- Enough background to the latest news development for people who missed the last few stories
- Sufficient identification of the key people in the story, including a sense of their significance or political leanings
- A summary of why the news matters

The “frame it first” approach has several advantages. One is that making a checklist of possible pitfalls gives you a chance to write around them in the first place – it can be better (and easier) to avoid jargon than to explain it. Another is that you can create a structure in which you leave a place or places to concentrate the background or context, rather than trying to squeeze it wherever you wrote it in a first draft. Mapping out the things that may be hard for a reader to understand can help you figure out if you, too, need help understanding them.

It can also help you identify and deal with what I call “the nub” – the point that is more important than any other to explain to the reader. Unfortunately, it’s often the hardest thing to explain!

Here's what might be an extreme example. In September, the UK's prime minister at the time, Liz Truss, sparked a brief financial crisis. Here's how the next day story as covered by [Fortune.com](https://www.fortune.com) began:

UK Prime Minister Liz Truss showed no sign of backing down on her economic policies that yesterday forced a dramatic £65 billion intervention from the Bank of England, blaming Russia's war in Ukraine for the market turmoil that pushed the pound to a record low.

"I'm very clear the government has done the right thing," she said. "This is the right plan."

*The remarks were Truss's first since the £45 billion of unfunded tax cuts were unveiled six days ago. The central bank was forced to step in and buy gilts **as a week of market upheaval left many pension funds facing margin calls.***

Why did market upheaval leave pension funds facing margin calls? What are margin calls? How were they connected to the tax cuts?

If you're the unlucky soul covering this meltdown, you have two challenges – understanding something that's very arcane but has suddenly become important, and then figuring out how to explain it in something shorter than the five or six phone calls it took you to understand it.

Here's how a BBC story the same day addressed that point:

The government borrows money to fund its spending plans by selling bonds, or "gilts", to investors such as pension funds and big banks on international markets. But a collapse in the price of those bonds was forcing some pension funds to sell gilts and assets, further forcing down the price.

That gets us closer, but ... still feels like hand waving, that thing we all do when we're not really able to explain something!

With some more time, this is how a colleague of mine at Bloomberg News, Jill Shah, summarized what happened:

A hedging strategy routinely used by UK pension funds backfired when yields on government bonds jumped faster than the models the funds used had allowed for.

OK, now we're getting somewhere! The pension funds were hedging their investments and it went sour!

And this brings us back to the questions of audience we discussed in Module 1 – for a business publication, maybe this explanation is enough, but for a broader audience would you need to say more about what hedging is? And *that* points ahead to next week's Module 3, of ways to address topics that are too complicated to address within a news story.

For a peek ahead, turn the page ...

The Pension Fund Strategy That's Plaguing the UK Bond Market

By Loukia Gyftopoulou and Greg Ritchie

From Bloomberg QuickTake

An investment strategy used by UK pension programs to protect themselves from falling government bond yields backfired in late September when yields jumped, exposing a major risk at the heart of the country's financial system. Pension funds following the approach, known as liability-driven investment, or LDI, were left scrambling to post more collateral to cover losses. While the Bank of England stepped in repeatedly to calm the turmoil, the measures were a temporary fix for a market that remained vulnerable to more shocks.

1. What caused the blow-up?

The sudden, enormous move in UK sovereign debt followed the Sept. 23 announcement by the government of new Prime Minister Liz Truss of unfunded tax cuts and increased state spending. Many pension funds didn't have enough ready cash to cover losses on their LDI hedging strategies, so they had to sell liquid assets including government bonds, known as gilts. With so many funds selling at the same time, gilt prices fell and yields were pushed even higher, which in turn increased the collateral payments they needed to make. The BOE stepped in to interrupt this cycle.

More to follow!