



APPENDIX FIGURE 1. SPATIAL DECAY IN NEWSPAPER SHIPMENTS AND DEMOGRAPHIC CORRELATIONS

Notes: Data are from the US Census and the Audit Bureau of Circulation data described in Section IC. The first two lines show the correlation coefficient of fraction Republican and fraction white for counties located in the same state, at different centroid distances. Republican vote share is the average Republican share of the two-party vote in presidential elections from 1868 to 1928. The third line shows the share of newspaper circulation in county 2 accounted for by newspapers headquartered in county 1, for counties located at different centroid distances. Only counties containing at least one market in the sample described in Section IB are included.

The twelfth row presents estimates from a specification in which we allow greater flexibility in the way in which consumer ideology affects the affiliations of newspapers that are available in a given town. In particular, we assume that the probability that a given newspaper available in town t is Republican is $\text{logit}^{-1}(\mu_{\rho}^0 + \mu_{\rho}^1 \text{logit}(\rho_t) + \mu_{\rho}^2 \text{logit}(\rho_t))$.

The thirteenth and fourteenth rows extend the demand model to allow the utility from reading a newspaper to depend on a quality shifter. In particular, we assume that the utility of bundle \mathcal{B} is shifted by $\sum_{j \in \mathcal{B}} \alpha_d d_j$, where d_j is a quality shifter and α_d is a parameter that we estimate. In the thirteenth row, d_j is the distance from the town to the newspaper's home market. In the fourteenth row, d_j is the circulation of the newspaper in its home market.

The fifteenth row replaces our measure of consumer ideology for each market, the average share of the two-party presidential vote going to Republicans over the period 1868 to 1928, with the population-weighted average of the measure across the market and all of the hinterland towns served by newspapers headquartered in the market. For towns with no hinterland circulation, this corresponds to our usual measure of consumer ideology.

The sixteenth row replaces all prices in our demand data with the mean price. The seventeenth row allows price to enter as a quality shifter.

None of these changes to model specification changes the qualitative conclusions from comparing across counterfactuals.

The remaining rows of the table present estimates from various subsets of the main estimation sample. The sample in the eighteenth row tightens the population restrictions defining the universe of potential daily newspaper markets by

25 percent, by excluding all market pairs containing a market with population smaller than 3,750 or larger than 75,000. The sample in the nineteenth row excludes any market pair containing one or more independent newspapers in 1924. The sample in the twentieth row excludes any market pair containing one or more unaffiliated newspapers as of 1924. The sample in the twenty-first row excludes any market pair containing a market within 100km of any of the ten most populous cities as of the 1920 Census. The sample in the twenty-second row drops any town pair for which our town-level circulation data omit a newspaper in at least one town's nearest news market. The sample in the twenty-third row excludes any market pair containing a pair of papers in different markets that are owned by the same chain as of 1932. (Our ownership data are from the 1932 *Editor and Publisher Yearbook*. The earlier annual directories that we use to construct our main sample do not include lists of chain-owned newspapers.) The sample in the twenty-fourth row excludes any town pair for which a town's population is in the top 10 percent. The sample in the twenty-fifth row excludes any town pair for which a town's population is in the bottom 10 percent. The sample in the twenty-sixth row excludes any market pair containing a market in the South.

None of these changes to the sample changes our qualitative conclusions. As we would expect, removing markets in the South meaningfully affects our quantitative results. Because of the dominance of the Democratic party, Southern markets demand (and receive) little diversity, so removing Southern markets increases baseline diversity and increases the scope for welfare gains from improving diversity.

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