

Macro Roundup Article

Headline: [Aid for Incumbents: The Electoral Consequences of COVID-19 Relief](#)

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Tweet: An additional senator or representative per mm residents predicted about \$1,000 dollars in additional COVID aid per capita over 2020-2022, yielding incumbents an extra 4 ppt of the two-candidate vote share. @jeffreypclemens @payson_julia @stanveuger

Summary: Identifying the effect of revenue windfalls on economic voting is challenging because whatever conditions led to the influx of cash might also benefit or harm incumbent politicians for a variety of other reasons. We leverage the fact that pandemic assistance varied based on congressional representation, with an additional senator or representative per million residents predicting roughly \$1,000 dollars in additional aid per capita. As a result, overrepresented states received systematically more funding. By predicting aid levels using congressional representation as an instrument, we seek to isolate the effect of COVID-19 spending on state-wide election results. We find that federal pandemic aid strongly predicts incumbent performance in the 2020, 2021, and 2022 elections. The exclusion restriction here [the basis for the econometric identification] assumes that higher per capita representation in Congress did not benefit incumbents through channels other than the increase in COVID-19 funding.

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Primary Topic: Government Spending

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