What happened on November 8, 2016 ?: A Study of Republican Vote Share and County-level Economics at US Presidential Elections

Raju Adhikari

March 16, 2017

Acknowledgement:

write once everything is written

Abstract:

write once everything is written

"The economy, as an issue, is one of consensus. All voters want a good economy, no voters want a bad economy. No distribution of opinion occurs. Everyone values prosperity. When they see prosperity, they vote for the ruling party, otherwise not."
- Michael Steven Lewis-Beck and Richard Nadeau (2011)

Introduction:

give basic intro

point out the two main questions of research Two main questions: We start by analyzing the question from a party-perspective and then move to a specific candidate, in this case being Donald Trump....
- Do county-level economic conditions influence presidential election results in the US? - effect on incumbent vote-share? effect on specific party vote share.
- Did county-level economic conditions play a role in the victory for the Republican party in 2016 elections (i.e. the victory of Donald Trump) and what can they say about Trump- specific effects (Does this show that Trump was a generic Republican or not)?

outline section-by-section details

Literature Review:

Economic Voting Theory (Authors, Key Variables, Main Idea):

The effect of economic factors on voteshare of a particular party in democratic countries has been widely studied by scholars all around the world and makes the basis for economic voting theory. When it comes to the United States, this idea of economic voting has been proven time and again through various types of statistical analysis carried out over the period of many election years. Kramer(1971), Fair(1978), Tufte(1978), Rosenstone(1983), Hibbs(1987), Erikson(1989), and Holbrook(1991) all have showed the connection between national macroeconomic conditions and election results in the US (**???**).[1] The macro-economic variables that are widely used to determine election outcomes are economic growth, disposable income, (un)employment, job growth, economic volatility, inflation, etc. (**???**). Even in the area of election forecasting, which deals rather with the future outcome than the past, fundamental statistical model is widely used to determine which party will win the elections. The fundamental model takes a chapter from the economic voting theory in the sense that it uses various social, political and economic variables to determine the outcome of an election. The economic variables used in forecasting also differ and include a range of measures such as:"GDP growth (Abramowitz 2004; Campbell 2004b); GNP growth (Lewis-Beck and Tien 2004); perception of personal finances (Holbrook 2004); prospective personal finances (Lockerbie 2004); leading economic indicators (Wlezien and Erikson 2004); income growth (ibid.); job growth (Lewis-Beck and Tien 2004)" (**???**). Moreover, the realm of economic voting has expanded rapidly over the years with new variables, definitions, and processes attached to it. While classical economic voting theories have viewed economy as a valence issue, Lewis-Beck and Nadeau (2011) examine positional and patrimonial economic voting (**???**). In their examination, they analyze the different preferences voters have on different economic policy issues and also the economic status of the voters (**???**). Similarly, seeing the rise of globalization all over the world and its impact on the economy, Jensen et. al (2016) claim that trade contains information that growth and employment do not explain and hence include macro-economic indicator such as U.S. trade balance as an explanatory variable for national-level voting (**???**). Some scholars see economic voting along-side other non-economic determinants of election outcome and analyze if the effect of the economy still holds true. In one example, Kayser and Wlezien (2011) claim that in the event of strong partisan effects (i.e. voters are strongly tied to a particular party), the effect of the government's performance (which can be seen as its economic performance) has little effect on vote shares (**???**).

The proponents of economic voting agree and disagree with each other on a few aspects. Some of the main questions that still float around in the area of voting behavior were clearly laid out by Abrams back in 1980 in what he called the main research questions of 'political business cycle'; and he outlined the following three questions as the ones that needed clarification:

> (1) to determine which politicians, if any, are held responsible by the electorate for changes in general economic conditions; (2) to identify which general economic conditions influence the electorate's voting; and (3) to establish the time period that the electorate uses to assess economic policies. (Abrams, 1980) (p. 1)

Over the years many political scientists have agreed to the idea of analyzing the economic vote through the perspective of an incumbent. The main idea behind this is that voters assess the performance of the incumbent party or candidate and use their vote as a means to determine either to reelect them or to choose the opposition candidate or party. Key's (1970) retrospective model uses bounded rationality theory to claim that voters use their vote as either a reward or a punishment depending on how the incumbent government performed (**???**). One key question that arises here is: which time period do voters have in mind when they decide to reward or punish the incumbent. The answer to this question depends on several factors: theory,

---

[1]Gerald H. Kramer, 'Short-Term Fluctuations in U.S. Voting Behavior', American Political Science Review, 65 (1971), 131-43; Ray Fair, 'The Effect of Economic Events on Votes for President', Review of Economics and Statistics, 60 (1978), 159-72; Edward Tufte, Political Control of the Economy (Princeton, N.J.: Princeton University Press, 1978); Steve J. Rosenstone, Forecasting Presidential Elections (New Haven, Conn.: Yale University Press, 1983); Douglas A. Hibbs, The American Political Economy (Cambridge, Mass.: Harvard University Press, 1987); Robert S. Erikson, 'Economic Conditions and the Presidential Vote', American Political Science Review, 83 (1989), 567-73; Thomas M. Holbrook, 'Presidential Elections in Space and Time', American Journal of Political Science, 35 (1991), 91-109.

availability of data, actual economic performance vs perception of the economy, and media's effect, to name a few. Ebeid and Rodden (2006) claim that relevant academic literature operationalize real per capita income (RPCI) as a one-year growth rate, and unemployment as an absolute level or first difference when constructing economic voting models (**???**). What this means is that voters compare the economic condition of the election year to that of the previous year. Eisenberg and Ketcham (2004) carry out a scientific examination of each of the four years in a presidential term against vote share and conclude that the most recent year explains a vast majority of the impact of economic performance (**???**). A lot of this also depends on the availability of the data. While more recent academic papers have been able to utilize the plethora of data available via various government and private agencies to carry out in-depth analyses, past papers lack such privelege. *This is evident in the fact that XXXX in year XXXX uses the absolute unemployment level while YYYY in year YYYY uses something else, to do the exact same type of analysis.* Another factor that is worth noting is that due to the growing influence of partisan media on voters, there is a possibility that voters may not even base their preference based on actual economic performance but rather on their perception or forced perception of the economy. _ cite something from the article about fox news effect_.Both the candidates and the media put strong emphasis on campaigns, advertisements, conventions, debates, controversies, all with the hope of generating a late swing in their favor. This suggests that the absolute or relative, or actual or perceived, economic effects can shape a voter's behavior much nearer to the election date. However, this is a debated topic because Gelman and King (1993) claim that voters cast their votes based on their "enlightened preference" (**???**). They assert that voters do have incomplete information and that their knowledge does get expanded over time through different campaign events leading up to the election day, however, throughout this period they inform themselves with the true values of the fundamental variables and their appropriate weights (**???**). While analyzing whether people vote correctly, Lau and Redlawsk place "correct" voting as a middle ground between individual choice and social choice and therefore define it as the individual choice made under conditions of full information (**???**). They also conclude, through their analysis of US presidential elections, that most of time citizens do vote correctly. Combining Gelman's analysis with Lau and Redlawsk's gives a premise for this paper to analyze the US Presidential elections through the angle of economic voting.

Economic voting theory also brings forward the question of whether voters reward/punish incumbent parties or incumbent candidates. Tufts's (1978) "election-as-a-referendum-on-the-government" idea and Norpoth's (2010) "cost of ruling" idea showcase that incumbency is seen with skeptic lenses and an unavoidable time-induced bias. *cite Tuft here, although this is taken from Lewis-beck2005* (**???**). However, they don't explain whether the effects fall on the shoulders of an incumbent party or an incumbent candidate. While most studies place candidates and parties under the same umbrella, Eisenberg and Ketcham separate the two entities and claim that voters do not hold incumbent candidates "additionally"" accountable although they hold incumbent parties responsible (**???**). This seems contrary to the idea that economic voting is more significant for incumbent candidates than for incumbent parties with new candidates *cite Nadeau and Lewis-Beck 2001 from Eisenberg2004.* The question that arises next is if voters "always" assign their economic vote for or against the incumbent or they do so based on a specific party, regardless of the incumbency. This happens under issue-priority theory, where voters relate certain economic policies with certain parties and vote for the party that is concerned with solving that issue even if the country is not performing so well under that party in that particular issue (**???**). *give example* In this paper, we will follow Kim's theory in analyzing if voters in the Unites States take certain economic indicators into account when voting for the Republican party. We, will nevertheless, keep incumbency as a dummy control variable to check if it affects the way voters vote for the specific party. Since, the purpose of the paper is to see from the perspective of not just a voter but a Republican voter, this route makes more sense for the analysis.

Macro-level analysis vs Regional Analysis (States and Counties):

Study of voting behavior at national level has been the main course of analysis for political scientists for decades now. Through surveys such as the American National Election Survey (ANES), a lot of voting behavior studies have been translated into individual level. However, a barely chartered territory is the subnational analysis at county-level. O'Laughlin et al. (1994) and Owens and Wade (1988) provide some evidence of sub-national level economic voting scenario in Germany and the United Kingdom, while in terms of the United States Archer and Taylor (1981) has sought to shed some light on the role of sectionalism

in American politics (**???**). Abrams (1980) presents the rationality behind the idea of testing whether state-level economic conditions are used by voters to assess presidential policies and if they influence electoral outcomes at the national level (Abrams, 1980). He validates the disaggregation hypothesis - which suggests the disaggregation of the economic-conditions variables - and claims that state-level economic conditions impact voting outcomes (Abrams, 1980). Abrams and Butkiewicz provide further evidence through a separate study of the 1992 U.S. Presidential election underlying the significance of state-level economic conditions in the defeat of George W. Bush (**???**). While these studies do not make any claims on the county-level, they do provide the basis to further disaggregate the economic-conditions variable at a more lower geographical level and study the resulting impacts. Following up Abrams work, Blackley and Shepard's study of the 1992 U.S. Presidential election provides evidence that local economic conditions have significant effects on presidential voting and therefore are consistent with both the self-interest and local altruism hypothesis (**???**). Moreover, what is considered as the self-interest of an individual can often encompass the welfare of others (**???**). Besides, it is safe to assume that such self-interest is stronger at a smaller geographical concentration than at a national-level where connection between individuals is more complex and less tangible.

Sartorius (2015) claims that the large number of observations available from more than 3000 counties of the United States and their unique economic and electoral characteristics make for an intriguing analysis of voting behavior at a sub-national level (**???**). In addition to this, Kim et al. (2003) further argue on behalf of county-level analysis by saying,

> not only is the problem of ecological fallacy much less severe with county-level than state-level data, but from a practical standpoint, the county may be the smallest spatial unit of analysis for testing the partisanship thesis that requires the availability of macroeconomic variables such as unemployment rate (**???**) pg.744.

The electoral college phenomenon that exists in the United States and the effects of gerrymandering in allowing various counties to exert a bigger weight on the outcome of the Presidential election also suggest that studying elections from county-level perspective can shed light on many questions that have been answered unsatisfactorily in the past. Kim et al. go a step further in their analysis of the effect of spatial patterns in American politics by suggesting that increasing concentrations of geographical support for the parties will mean more ideological polarization and more demographic distinction between them (**???**). Their analysis seems nothing less than prophetic in the aftermath of the 2016 Presidential election that saw an extremely polarized and divided America fall into the spatial crevaces of electoral college system. Jensen et al. (2016) also use U.S. county-level measures of economic indicator such as employment in order to assess the effect of trade on presidential voting (**???**). The study by Wright (2012) uses county-level employment data to claim that Democratic vote share at gubernatorial and presidential elections is directly proportional to unemployment rate regardless of the incumbency (**???**). All these studies provide a perfect premise for this paper as it aims to understand the effects of the economy at a regional level over the years and more specifically in the recent election of 2016. The paper follows the framework by Eisenberg and Ketcham (2004) who claim to present "the first county-level analysis of economic voting in presidential elections (**???**)." This type of county-level analysis becomes even more relevant in analyzing the recent elections, most importantly the one in 2016, since the changing demographics and economics of many counties of the United States have more than often been credited by scholars, and news media for the way presidential elections have shaped.

A Unique Mix of Economics, Politics, and Demographics:

mention how each economic variabe to be used in this paper have been used before (or not used before), demographic variables, political variables.

Background:

US Election Peculiarities:

electoral college swing states term limits media debates difficult to incorporate all of them, but in this paper, we will take on a few of them such as swing and non-swing states and other demographic variables that we will discuss later. After looking at the ANES survey data we can decide which of the other peculiarities we can incorporate into our model, for now no need to worry about it, since the main focus is on economic voting and hence economic variables.

Methodology:

This paper analyzes the research questions using quantitative regression models. The specifications of the models are based on literature review and checked for biases and perfomed robustness tests, which are included in the Appendix.

The research question is divided into two sections: the first part studies the effect of county-level economic variables on Republican vote share from 1992 to 2012, and the second part studies the effect of county-level economic variables on the change in Republican voteshare from 2012 to 2016.

Part I:

Model Specification:

research question should be mentioned in the intro as well already.

Research Question: What are the effects of county-level economic variables on the two-party vote share of the Republican party in the Presidential election?

Hyopthesis: Depending on the type of economic variable, its effect on the Presidential two-party vote share of the Republican party can be different. A rise in unemployment rate will have a negative impact on Republican vote share, since voters identify the Democratic party as the one more capable for tackling the issue of unemployment and for providing welfare and other benefits caused by the rise in unemployment. On the other hand, a rise in Per capita income should have a positive impact on Republican vote share because of the economic benefits through reduced taxation for rich that the party is known for *rephrase in better way*

Regression Equation:

$$rep.share_{i,t} = \alpha + \beta_1(unemp\_gro_{i,t}) + \beta_2(pci\_gro_{i,t}) + \beta_3(controls) + \epsilon$$

Dependent Variable:

$rep.share_{i,t}$: The dependent variable is the two-party vote share of the Republican party at the United States Presidential Election for county (i) in election year (t). Considering the effect of the third party in the U.S. Presidential election to be approximately equal on both the Democratic and the Republican party and insignificant in relation to the voteshare of these two major parties *cite someone who has given this logic, Eisenberg and Ketcham 2004*, I have decided to eliminate the third-party vote share. Hence, the republican voteshare shown here is the republican proportion of the "two-party vote share." *For example from the Dataset* If, in a county, Republicans obtained 55 percent of the votes, Democrats obtained 40 percent, and the third party obtained 5 percent, then the value of *rep.share* will be 0.578 instead of 0.55. Different scholars have used different versions of this variable in their analysis. Most of them use the voteshare of the incumbent party however, in this case, the research question aims to explore the effect of economic variables on the Republican party specifically. Hence, the usage of republican vote share becomes logical.

Independent Variables:

$unemp\_gro_{i,t}$: The first independent variable, which is also the explanatory economic variable, is the growth in unemployment rate for county (i) between election year (t) and the year before (t-1). *For example* and *Justify the usage of growth instead of absolute value* and *justify the usage of the value from year before* and *cite*

$pci\_gro_{i,t}$: The second independent variable, is the growth in per capita income for county (i) between election year (t) and the year before (t-1). It is calculated using the same method as the growth in unemployment rate. *justify the usage* and *cite*

collinearity between these two variables and *justify the usage of both two together* and *list some other ones that they replace, for example unemployment substitutes output growth, etc.*

Control Variables:

$repshare.lag_{i,t-4}$: The two-party vote share of the Republican party in a county (i) in the previous presidential election (t-4) is used as a political control variable. This variable is expected to measure the party affiliation of a specific county. *cite someone who has used this* In the United States, many states and counties within them are known to be historically *another term: perennially* blue or red. What this means is that the voting behavior of counties are often pre-determined based on how they voted in the election before. Not accounting for this variable could cause ommitted variable bias, result in biased estimates for other explanatory variables, and deteriorate the explanatory power of the model by affecting the goodness of fit (i.e. R-squared).

$Pop_{i,t}$: The population of a county(i) in the election year(t) is used as a demographic control variable. This variable is introduced to control for the size of the counties. *explain why this is important*

$white.percent_{i,t}$: The percentage of white people (both male and female combined) in a county(i) in the election year(t) is used as another demographic control variable. This variable is introduced to control for race. The percentage is calculated by dividing the total number of white people in a county by the total population of that county. *why white is used instead of black*

rep_incumb_{t}: A dummy variable for incumbency is introduced as another political control variable. The value of rep_incumb is 1 for election years that had the Republican party as the incumbent and 0 for election years that had the Democratic party as the incumbent. This variable does not change for counties in a given election year and measures the effect of the national political phenomemon at a subnational level. *for example* and *cite*

$rural_{i}$: A dummy variable for rural is introduced as another demographic control variable. The value of $rural$ is 1 if the county is rural and 0 if the county is urban. This designation is based on a 2010 US Census designation that places counties with more than 50 percent of people living in rural areas as a rural country and less than 50 percent of people living in rural areas as a urban county. *verify if this description is correct* This variable is fixed for a given county across all years.

collinearity of control variables with the independent variable or the dependent variable show it in a matrix in the appendix and present the result in a line or two here to justify their inclusion

KISS for variables *describe here, look on Mendeley*

Estimation Technique:

The regression estimation technique used for the model above is a Fixed Effects Model of estimation (called FE estimation, hereafter). FE estimation is ideal here due to the presence of a Panel Dataset and it has been preferred over Random Effects Model of estimation after performing Hausman test. *See Figure in Appendix* The FE estimation explains the 'within' county variation i.e. it explains the effect of the explanatory variables on the dependent variable for each specific county over a period of time. Time invariant fixed effects, such as the variable $rural$ is not accounted for in the FE estimation, although it maybe introduced as an interaction term (which will be explained in the Analysis section below). *some theory behind Fixed Effects one or two lines*

Part II:

Model Specification:

Research Question: What are the effects of county-level economic variables on the difference in two-party vote share of the Republican party between 2012 and 2016?

Hypothesis: Keeping in mind that Donald Trump's victory was unprecendented and he was touted as a non-regular candidate (i.e. different than a regular Republican), the effects of county-level economic variables should be different in 2016 election than the previous election. A rise in unemployment should have a positive impact on Republican vote share since Trump's campaign was revolved around "taking jobs back". However, in terms of per capita income, a lower per capita income should have a positive impact since his campaign also claimed to raise the lives of the poor people who had suffered from the wraths of globalization and the neglect from the political elites.

Research Equation:

$$rep.share.gro = \alpha + \beta_1(unemp\_gro) + \beta_2(pci\_gro) + \beta_3(controls) + \epsilon$$

Dependent Variable:

rep.share.gro: The dependent variable is the difference in the two-party vote share of the Republican party at the United States Presidential Election, for each county between election year 2012 and 2016. *For example from the Dataset* If, in a county in 2012, the two-party vote share for a Republican party is 0.55 and in 2016 it is 0.60, then the value of *rep.share.gro* will be 0.60-0.55 = 0.05. This indicates a growth of 5 percentage point in voteshare for Donald Trump compared to what the Republican nominee Mitt Romney obtained in 2012. A positive value means that Donald Trump received more votes in that county compared to Mitt Romney. The difference in using this variable, compared to the one used for the model in Part I, is that we are trying to measure Trump-specific effect here. Depending on how the dependent variable reacts to different explanatory variables in this model, we can come to conclusions on whether Trump was a generic Republican or not and if he was affected by the same factors that affected Republican candidates in the past.

Independent Variables:

unemp_gro: The first independent variable, which is also the explanatory economic variable, is the growth in unemployment rate for each county between 2015 and 2012. An ideal measurement would have been to see the growth in unemployment rate between 2012 and 2016, since both are election years. A positive value means that the unemployment rate in 2015 was greater than in 2012 and vice versa. However, economic data for 2016 is not available yet, which limited our ability to use the most recent data. However, the usage of 2015 unemployment rate should not be problematic and is infact considered an appropriate measure to conduct an analysis as such in the event of no other optimal option. *For example* and *Justify the usage of 2015*.

pci_gro: The second independent variable is the growth in per capita income for each county between 2015 and 2012. It is calculated using the same method as the growth in unemployment rate and with similar limitation in terms of the data for 2016. A positive value means that the per capita income in 2015 was greater than in 2012.

collinearity between these two variables

Control Variables:

pop: The population of a county in 2015 is used as a demographic control variable. Like in the previous model, this variable is introduced to control for the size of the counties.

educ: The percentage of people in a county with less than high school degree in 2015 is used as a social/demographic control variable to account for the impact of education (or lack thereof). This variable is calculated by dividing the total number of people with less than high school degree (i.e. less than 12 years of formal education) by the total population of that county in 2015. *see if the same justification is used elsewhere justify what a Trump voter is expected to be and hence control for that check if it is 25 years and above*

white.percent: The percentage of white people (both male and female combined) in a county in 2015 is used as another demographic control variable. Like in the previous model, this variable is introduced to control for race and the percentage is calculated by dividing the total number of white people in a county in 2015 by the total population of that county for the same year. *why white is used instead of black*

rural: A dummy variable for rural is used, similar to the one in the model in Part I. A value of 1 means a county is rural and a value of 0 means it is urban.

collinearity of control variables with the independent variable or the dependent variable show it in a matrix in the appendix and present the result in a line or two here to justify their inclusion

Estimation Technique

The regression estimation technique used for this model is a Ordinary Least Squares Model of estimation (called OLS estimation, hereafter). OLS estimation is ideal here due to the presence of a Cross-Sectional Dataset with no time-wise variation. The measures of the previous election(i.e. 2012) is incorporated in the cross section as a first-differencing. The OLS estimation explains the effect of the explanatory variables on the dependent variable for each specific county between 2012 and 2015. *Something more on OLS and what is does here*

Data sources and cleaning:

The data necessary to carry out the quantitative analysis in this paper were obtained from multiple sources and rigorously cleaned and merged together using open source software R studio to extract the variables described above. The dependent variables on both parts of the research were obtained from election data that consisted of the Republican vote-share in the presidential election between 1992 and 2016. The dataset came from Dave Leip's Atlas of U.S. Presidential Elections.[2] To calculate the two-party voteshare, the voteshare for Republican party was divided by the sum of voteshares for Republican and Democratic party. The lag of republican voteshare used in the first part of the research was calculated based on the same election dataset. The data on unemployment from 1992 to 2015 was obtained from the Bureau of Labor Statistics (BLS) website.[3] To calculate the growth in unemployment rate between two years, the unemployment rate for previous year was subtracted from the unemployment rate of the current year, and then the result was divided by the unemployment rate of the previous year to get the growth rate. The data on other explanatory economic variable, i.e. per capita income, and the population of each county from 1992 to 2015 were called from the Bureau of Economic Affairs (BEA) API directly into R studio.[4] Data used to construct the incumbency dummy was created manually based on common knowledge and merged into the final dataframe. *Put table on Appendix with president's name and years and dummy* Data used to create the rural dummy was obtained from the United States Census Bureau.[5] Demographic data on educational attainment was not available for several years between 1992 and 2012, hence education related variable wasn't included in the model in the first part of the research. However, for the second part of the research, educational attainment data for 2012 and 2015 was obtained from the United States Census Bureau.[6] The race data that included

---

[2]Dave Leip's Election Data was obtained from a third party, i.e. Çilek Agaci's github repository (Source: https://github.com/cilekagaci/us-presidential-county-1960-2016). The repository data was matched and confirmed with Dave Leip's actual website. His dataset is often used by researchers in academia to carry out election related analysis as such.

[3]*BLS Webpage Link*

[4]*BEA API Link*

[5]*2010 Census, Summary File 1, Table P2* put link as well

[6]*Link of ACS date and page*

the number of whites in each county between 1992 to 2015 was obtained from the database of the National Cancer Institute.[7] The counts of race and education data were converted into percentages by combining them with the population data obtained from BEA. All the dataframes were merged based on county fips (unique identification for each county set by the US Census Bureau). There are a total of 3142 counties (or county-equivalents) in the United States. However, due to inconsistent nomenclature of counties and county-equivalents, and the matching problem it created since many counties have been reshaped over the years, some selected counties were removed from the dataset. All the 29 boroughs of Alaska were removed from the final dataset due to difficulty in matching them to the county fips across multiple datasets. Maui and Kalawao counties of Hawaaii were merged together into the same county called Maui to make it consistent over multiple datasets. These processes resulted in a total of 3112 counties. The final merged panel dataset, which was used for the first part of the research, hence contained 3112 counties x 6 election years = 18672 observations. For the second part of the paper, the final cross-sectional dataframe consists of 3112 counties. *remember if we do logit, we will do it for 3086 counties and if we do ols we will do it for 3112 counties*

---

[7] *Link SEER Stat*

Analysis:

First Question:

Second Question:

Testing the hypothesis:

Put the hand made table from the Lit. review note book

Conclusion:

Limitations and Further Research:

- Can these economic conditions be found on individual-level survey data for 2016 to substantiate or repudiate the claims made above? *depending on time, we can skip this and put it under further research possibilities at the end*

Appendix:

(Test results of all the tests, graphs, tables, plots, etc. that don't go in the main body of the paper.)

The voteshare of an incumbent presidential candidate in a state is regressed against the general economic conditions of the state, which can be measured by the change in a state's unemployment rate and the percentage changes in real per capita personal income (Abrams, 1980). Previous vote share for the incumbent party is also introduced as an independent variable (Abrams, 1980). He claims that voters hold presidents accountable for changes in state-level economic conditions therefore cutting certain programs in strongly dominated states and moving them to closely contested states may improve the chances of reelection for the incumbent (Abrams, 1980). He also claims that abolishing the electoral college and permitting popular votes to determine presidential outcomes can outweigh the efforts of such state-level redistributive policy (Abrams, 1980). The fact that Donald Trump's victory was highly dependent on the electoral college, since he lost the popular vote by almost XXXXXXXXX votes, and driven by a few contested states in the Rust Belt, show with even more significance the effect of regional economic conditions on vote share. *can this model be applied at a county level, since it is simply a smaller geographical setting and more representative since it is closer to the individual level a dummy for Southern States was taken* (Abrams, 1980).

Curry (**???**) suggests that a lagged dependent variable would not be appropriate in this case since the relationship between the economy and the vote for president is not theorized as dynamic. He writes, "the data points are four years apart so it is unlikely that the performance of the economy at time t would be strong enough to significantly influence the vote for president four years in the future at time t + 1 or eight years in the future at time t + 2" (**???**).

In economic voting, incumbents are given utmost importance because people often relate economic performance with the incumbent party or candidate. Hence, if the economy is doing well, it helps the incumbent party or candidate and if it is doing bad it hurts them. *it would be interesting to see how people assign blame for their economic conditions on the President even if their regional governor or majority representation in the house may be from the non-incumbent's party.* Moreover, Curry (**???**) writes that economic influence on the vote for president has been continuous and is not necessarily dependent on federal government control over the economy.

Three main inferences made by Bartels(Bartels, 2005) are: - The white working class has not abandoned the Democratic Party. - The white working class has not become more conservative. - Working class moral values do not trump economics.

Bartels (Bartels, 2005) uses family income levels to categorize voters in terms of their economic status. He places families with incomes in the bottom third of the income distribution under "low income" or "working class" thus differentiating them from the middle and upper class families. *how do we operationalize this is terms of county-level economic data.*

Bartels (Bartels, 2005) illustrates the Democratic share of the two-party presidential vote among white voters in the bottom third of the income distribution and in the top third of the income distribution. He attributes the loss of support from white voters to Democratic candidates to the middle and upper income groups, while claiming that support for Democratic candidates has increased among low-income white voters. *see what happens when we see the actual county-level economic data on family income alongside Democratic or Republican voteshare see what happens when we see the actual county-level economic data on family income, in areas with majority whites vs majority non-white, and see what happens see what happens when we see the*

actual county-level economic data on family income, in areas with majority whites, in rural vs urban counties, and see what happens

While survey data is useful in forecasting, the actual data we use can give a better picture of voter behavior since it captures the reality of after the election has taken place. However, based on the actual data, we are not able to measure party identification, since there is no way to know the individual preferences of voters. Nevertheless, based on how the result in a certain county turned out, we can get an idea about the actual preference of the majority of voters of that county.

Bartels (Bartels, 2005) argues that "Democratic identification declined by 18% among low-income whites (from 22% in 1952 to 4% in 2004) and by 29% among high-income whites (from 11% to ???18%)." But he mentions that "However, it seems odd to attribute the Democrats' problems to the white working class when the corresponding decline among more affluent whites is so much larger."

Although one individual has one vote, the value of that vote may be different. *can we see if the 18 percent decline among low-income whites (and seeing where they are concentrated) has more impact on the electoral outcome than the 29 percent decline among high-income whites who may be concentrated in bigger cities and urban areas and democratic states.*

Bibliography:

Abrams, B. A. (1980). The influence of state-level economic conditions on presidential elections. *Public Choice*, *35*(5), 623–631.

Bartels, L. M. (2005). What's the matter with what's the matter with kansas ?